

**SOUTHERN ITS INTERNATIONAL, INC.**  
**13901 N. 73<sup>rd</sup> Street**  
**Suite 204**  
**Scottsdale, AZ 85260**  
**480-258-3674**  
**www.sitsintl.com**  
**info@sitsintl.com**

## Quarterly Report

For the period ending September 30, 2024 (the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

146,651,073 as of September 30, 2024 (Current Reporting Period Date or More Recent Date)

104,320,659 as of December 31, 2023 (Most Recent Completed Fiscal Year End)

### **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>4</sup> of the company has occurred during this reporting period:

Yes:  No:

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

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<sup>4</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 and names used by predecessor entities, along with the dates of the name changes.

The name of the Issuer is Southern ITS International, Inc. We were originally incorporated in Nevada on September 27, 1984 as Numeric Two Corporation. Effective July 10, 1985, we changed our name to Beta Tech Robotics, Inc. On August 28, 1996, we changed our name to Axion Spatial Imaging, Inc. On March 9, 2009, we changed our name to Alco Advanced Technologies, Inc. Finally, on March 21, 2012, we changed our name to Southern ITS International, Inc. From June 30, 2017 to April 30, 2018 the Company did business under the name Evolution Enterprises, Inc.

The Company's address is 13901 N. 73<sup>rd</sup> Street, Suite 204, Scottsdale, AZ 85260 effective as of March 2024. Prior to that the address was 42215 Washington Street, Suite A#345, Palm Desert, CA 92211 effective as of July 2022. Prior to that the address was 74998 Country Club Drive, Suite 220-52, Palm Desert, CA 92260, effective as of October 20, 2020. Prior to that the address was 11700 W. Charleston Blvd, Suite 170-170, effective as of April 30, 2018. Prior to that the address was 6671 South Las Vegas Blvd., Suite S-210, effective June 29, 2017. Prior to that the address was 7935 W. Sahara Ave., Suites 103/120, Las Vegas, NV 89117, effective March 2015. Prior to that it was 9510 W. Sahara Ave., Suite 105, Las Vegas, NV 89117.

Current State and Date of Incorporation or Registration: Nevada, September 27, 1984

Standing in this jurisdiction: (e.g. active, default, inactive): Active.

Prior Incorporation Information for the issuer and any predecessors during the past five years:

The name of the Issuer is Southern ITS International, Inc. We were originally incorporated in Nevada on September 27, 1984 as Numeric Two Corporation. Effective July 10, 1985, we changed our name to Beta Tech Robotics, Inc. On August 28, 1996, we changed our name to Axion Spatial Imaging, Inc. On March 9, 2009, we changed our name to Alco Advanced Technologies, Inc. Finally, on March 21, 2012, we changed our name to Southern ITS International, Inc.

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

N/A

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

N/A

Address of the issuer's principal executive office:

13901 N. 73<sup>rd</sup> Street, Suite 204, Scottsdale, AZ 85260

Address 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: Pacific Stock Transfer Company  
Phone: 800-785-7782  
Email: [jclaiborne@pacificstocktransfer.com](mailto:jclaiborne@pacificstocktransfer.com)  
Address: 6725 Via Austi Parkway, Suite 300, Las Vegas, NV 89119

### **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:	SITS
Exact title and class of securities outstanding:	Common Stock
CUSIP:	843075 300
Par or stated value:	\$0.001
Total shares authorized:	900,000,000 as of date: 9/30/24
Total shares outstanding:	146,651,073 as of date: 9/30/24
Total number of shareholders of record:	157 as of date: 9/30/24

*Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.*

N/A

### **Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

*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 that do not have a trading symbol). 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):	N/A
Par or stated value:	\$0.001
Total shares authorized:	10,000,000 as of 9/30/24
Total shares outstanding (if applicable):	5,000,000 as of 9/30/24
Total number of shareholders of record (if applicable):	1 as of 9/30/24

Exact title and class of the security:	Series B Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.001
Total shares authorized:	15,000,000 as of 9/30/24
Total shares outstanding (if applicable):	7,500,000 as of 9/30/24
Total number of shareholders of record (if applicable):	2 as of 9/30/24

Exact title and class of the security:	Series D Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.001

Total shares authorized:	2,500,000 as of 9/30/24
Total shares outstanding (if applicable):	-0- as of 9/30/24
Total number of shareholders of record (if applicable):	-0- as of 9/30/24

Exact title and class of the security:	Series E Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.001
Total shares authorized:	10,000,000 as of 9/30/24
Total shares outstanding (if applicable):	10,000,000 as of 9/30/24
Total number of shareholders of record (if applicable):	2 as of 9/30/24

Exact title and class of the security:	Series G Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.001
Total shares authorized:	30,000,000 as of 9/30/24
Total shares outstanding (if applicable):	1,250,000 as of 9/30/24
Total number of shareholders of record (if applicable):	1 as of 9/30/24

Exact title and class of the security:	Series H Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.001
Total shares authorized:	1,000,000 as of 9/30/24
Total shares outstanding (if applicable):	1,000,000 as of 9/30/24
Total number of shareholders of record (if applicable):	2 as of 9/30/24

Exact title and class of the security:	Series I Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.001
Total shares authorized:	10,000,000 as of 9/30/24
Total shares outstanding (if applicable):	40,000 as of 9/30/24
Total number of shareholders of record (if applicable):	1 as of 9/30/24

Exact title and class of the security:	Series J Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.001
Total shares authorized:	6,000,000 as of 9/30/24
Total shares outstanding (if applicable):	6,000,000 as of 9/30/24
Total number of shareholders of record (if applicable):	1 as of 9/30/24

**Security Description:**

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

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

Dividends payable at the discretion of the Board of Directors. Vote at 1 vote for 1 share held. No preemption rights.

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

Series A Preferred:

Dividends at the discretion of the Board of Directors.  
Liquidation rights at \$0.001 per share.  
Voting rights of 500 votes per 1 share held.  
No conversion rights.  
Non-redeemable.

Series B Preferred:

Dividends at the discretion of the Board of Directors.  
Liquidation rights at \$0.10 per share.  
Voting rights of 1 vote per 1 share held.  
Convertible into common stock at the rate of 10 shares of common stock for each share of Series B  
Non-redeemable.

Series D Preferred:

Dividends at the discretion of the Board of Directors.  
Liquidation rights at \$1.00 per share.  
Voting rights of 1 vote per 1 share held.  
Convertible into common stock at the rate of 1 share Series D for that number of shares of common stock that are equal to \$1.00 based upon OTC Markets Average closing Bid price for 5 days prior to conversion.  
Redeemable at \$1.00 per share.

Series E Preferred:

Dividends at the discretion of the Board of Directors.  
Liquidation rights at \$0.10 per share.  
Voting rights of 1 vote per 1 share held.  
Convertible into common stock at the rate of 10 shares of common stock for each share of Series E  
Non-redeemable.

Series G Preferred:

Dividends at the discretion of the Board of Directors.  
Liquidation rights at \$0.04 per share.  
Voting rights of 1 vote per 1 share held.  
Convertible into common stock at the rate of 25 shares of Series G for that number of shares of common stock that are equal to \$1.00 based upon OTC Markets Average closing Bid price for 10 days prior to conversion.  
Non-redeemable.

Series H Preferred:

Dividends at the discretion of the Board of Directors.  
Liquidation rights at \$0.10 per share.  
Voting rights of 1 vote per 1 share held.  
Convertible into common stock at the rate of 10 shares of common stock for each share of Series H  
Non-redeemable.



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.
1/04/22	New Issuance	625,000	common	\$0.04	Yes	Robert E. Jeter	Cash	Restricted	144
1/04/22	New Issuance	250,000	common	\$0.04	Yes	Carlos Rios	Cash	Restricted	144

2/09/22	New Issuance	5,000,000	common	\$0.001	Yes	CLL Firm LLC (Cheryl Ketner, Manager))	Conversion of promissory note	Unrestricted	4(a)(1)
3/15/22	New Issuance	1,500,000	common	\$0.018	Yes	Robert E. Jeter	Cash	Restricted	144
3/15/22	New Issuance	250,000	common	\$0.025	Yes	Travis L. Watters	Cash	Restricted	144
3/15/22	New Issuance	250,000	common	\$0.025	Yes	Jeffrey A. Haymans	Cash	Restricted	144
3/15/22	New Issuance	100,000	common	\$0.03	Yes	Lawrence Lemanski	(2)	Restricted	144
3/25/22	New Issuance	250,000	common	\$0.04	Yes	Ivan Bell	Conversion of Promissory Note	Restricted	144
3/25/22	New Issuance	625,000	common	\$0.032	Yes	Paul Young	Conversion of Promissory Note	Restricted	144
4/01/22	New Issuance	1,715,140	Series D Preferred	\$1.00	N/A	Jenny Buettner	Shibue Couture, Inc, Investment	Restricted	144

4/01/22	New Issuance	3,600	Series D Preferred	\$1.00	N/A	Juli Halopoff	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	94,725	Series D Preferred	\$1.00	N/A	Kari Loftin	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	114,810	Series D Preferred	\$1.00	N/A	Shipley Family Trust (James E. Shipley)	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	21,375	Series D Preferred	\$1.00	N/A	John McIntyre	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	288,000	Series D Preferred	\$1.00	N/A	James Brownell	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	118,800	Series D Preferred	\$1.00	N/A	Douglas Kinsey	Shibue Couture, Inc, Investment	Restricted	144

4/01/22	New Issuance	28,350	Series D Preferred	\$1.00	N/A	Bruce Waldman and Mark Waldman	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	5,175	Series D Preferred	\$1.00	N/A	Robert Polentz	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	87,975	Series D Preferred	\$1.00	N/A	Jeff Weiderkher	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	8,325	Series D Preferred	\$1.00	N/A	Andrea Blumenthal	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	3,375	Series D Preferred	\$1.00	N/A	Laura Lee Brown	Shibue Couture, Inc, Investment	Restricted	144
4/01/22	New Issuance	10,350	Series D Preferred	\$1.00	N/A	Shereen Torney	Shibue Couture, Inc, Investment	Restricted	144

4/01/22	New Issuance	10,000,000	Series B Preferred	\$0.43	N/A	James E. Shipley	Employment Agreement	Restricted	144
4/01/22	New Issuance	5,000,000	Series B Preferred	\$0.43	N/A	Russell Kidder	Employment Agreement	Restricted	144
4/04/22	New Issuance	250,000	Common	\$0.04	Yes	Timothy Holt	Conversion of promissory note	Restricted	144
4/04/22	New Issuance	600,000	Common	\$0.001	Yes	Dynamic Growth Media LLC (Richard Silverman)	Consulting Services	Restricted	144
4/04/22	New Issuance	3,000,000	Common	\$0.04	Yes	Secure Capital Investments, (Keith Kerrins)	Consulting Services	Restricted	144
4/18/22	New Issuance	5,000,000	Series E Preferred	\$0.501	N/A	Jeremy Larsen	Employment Services	Restricted	144
4/18/22	New Issuance	5,000,000	Series E Preferred	\$0.501	N/A	Chad Allen Shipman	Employment Services	Restricted	144
6/28/22	New Issuance	1,000,000	Common	\$0.04	Yes	Sean Stanowski	Consulting Services	Restricted	144
6/28/22	New Issuance	2,000,000	Common	\$0.04	Yes	Macca Holdings, Inc. (Keith J. McNally)	Consulting Services	Restricted	144
6/28/22	New Issuance	1,000,000	Common	\$0.04	Yes	Mesa Resources, Inc. (Kevin Chennault)	Consulting Services	Restricted	144
6/28/22	New Issuance	500,000	Common	\$0.04	Yes	Gary Giles	Consulting Services	Restricted	144
6/28/22	New Issuance	1,000,000	Common	\$0.04	Yes	Secure Capital Investments, (Keith Kerrins)	Consulting Services	Restricted	144

7/12/22	New Issuance	250,000	Common	\$0.03	Yes	Marc Ellison	Cash	Restricted	144
7/29/22	New Issuance	200,000	Common	\$0.03	Yes	Stanley Rubenstein	Cash	Restricted	144
7/29/22	New Issuance	400,000	Common	\$0.03	Yes	Steven Spaeth	Cash	Restricted	144
7/29/22	New Issuance	2,000,000	Common	\$0.07	Yes	Prestige Marketing Consultants Inc. (Keith Kerrens)	Equity Investment	Restricted	144
8/10/22	New Issuance	147,857	Common	\$0.03	Yes	Travis I. Watters	Cash	Restricted	144
8/10/22	New Issuance	350,000	Common	\$0.03	Yes	Paul R. Botts	Cash	Restricted	144

8/31/22	New Issuance	250,000	Common	\$0.03	Yes	Fraser D. Bishop	Cash	Restricted	144
9/29/22	New Issuance	1,250,000	Series G Preferred	\$0.04	N/A	Eduardo Gonzales	Cash	Restricted	144
10/11/22	New Issuance	1,000,000	Common	\$0.07	No	Prestige Marketing Consultants, Inc. (Keith Kerrins)	Equity Investment	Restricted	144
10/12/22	New Issuance	540,000	Common	\$0.019	Yes	Travis Waters	Cash	Restricted	144
10/21/22	New Issuance	571,429	Common	\$0.035	Yes	Judy Wagner	Cash	Restricted	144

10/21/22	New Issuance	250,000	Common	\$0.08	No	Green Forest Resources LLC (J.P. Woodruff)	Consulting Services	Restricted	144
12/9/22	New Issuance	500,000	Common	\$0.02	No	CJX Properties LLC (Chad Shipman Jeremy Larsen and Gilmore Irey))	Cash	Restricted	144
12/31/22	New Issuance	1,000,000	Series H Preferred	\$0.419	N/A	Compassionate Trust 2 (William Holder, Jr., Trustee)	Services	Restricted	144
1/23/23	Share Cancellation	(86,225,00)	Common	\$0.001	N/A	David McCovy	Court Order	Restricted	N/A
1/31/23	New Issuance	250,000	Common	\$0.02	Yes	Ivan Bell	Cash	Restricted	144
2/01/23	New Issuance	40,000	Series I Preferred	\$0.50	N/A	Daniel Cohen	Cash	Restricted	144
2/07/23	New Issuance	1,000,000	Common	\$0.04	No	Prestige Marketing Consultants, Inc. (Keith Kerrins)	Services	Restricted	144
5/5/2023	New Issuance	1,500,000	Common	\$0.03	Yes	Belcaro Holdings LLC (Ray Kim)	Services	Restricted	144
5/5/2023	New Issuance	300,000	Common	\$0.085	No	Debra Bloomfield	Services	Restricted	144
6/20/2023	New Issuance	3,000,000	Common	\$0.072	No	David Rodgers	Services	Restricted	144
6/21/2023	New Issuance	2,800,000	Common	\$0.001	Yes	CCL Firm LLC (Cheryl Ketner)	Note Conversion	Restricted	144
6/30/2023	New Issuance	1,200,000	Common	\$0.058	No	Prestige Marketing Consultants, Inc. (Keith	Equity Investment/ Acquisition	Restricted	144

						Kerrins)			
9/01/23	New Issuance	500,000	Common	\$0.02	Yes	Matthew Nikola	Cash	Restricted	144
9/03/23	New Issuance	500,000	Common	\$0.02	Yes	Nathan E. Capps	Cash	Restricted	144
10/25/23	New Issuance	925,925	Common	\$0.054	Yes	Burke A. Mieke	Note Conversion	Restricted	144
10/25/23	New Issuance	925,925	Common	\$0.054	Yes	Arnold E. Delbridge	Note Conversion	Restricted	144
10/25/23	New Issuance	925,925	Common	\$0.054	Yes	Bestul Holding LLC (Stuart Bestul)	Note Conversion	Restricted	144
10/25/23	New Issuance	555,556	Common	\$0.054	Yes	Nathan Stewart	Note Conversion	Restricted	144
11/03/23	New Issuance	10,000,000	Common	\$0.016	Yes	Sylvain Desrosiers	Note Conversion	Restricted	144
11/20/23	New Issuance	3,600,000	Common	\$0.001	Yes	CLL Firm LLC (Cheryl Ketner)	Note Conversion	Restricted	144
1/16/24	New Issuance	1,467,136	Common	\$0.034	Yes	Tyler Junker	Note Conversion	Restricted	144
1/18/24	New Issuance	586,854	Common	\$0.034	Yes	Luke Scott and Brittany Scott	Note Conversion	Restricted	144
2/12/24	New Issuance	1,400,000	Common	\$0.001	Yes	CLL Firm LLC (Cheryl Ketner)	Note Conversion	Restricted	144

2/13/24	New Issuance	660,066	Common	\$0.030	Yes	Tyler E. Junker	Note Conversion	Restricted	144
2/15/24	New Issuance	645,161	Common	\$0.31	Yes	Gregory LeBlanc	Note Conversion	Restricted	144
2/19/24	Cancellation	5,000,000	Series A Preferred	N/A	N/A	James E. Shipley	Issuer Ownership Reorg.	Restricted	144
2/19/24	Transfer	5,000,000	Series A Preferred	N/A	N/A	JCG Development Group LLC (Jeremy Larsen, Chad Shipman, and Gilmore Irey)	Issuer Ownership Reorg.	Restricted	144
2/19/24	Cancellation	5,000,000	Series B Preferred	N/A	N/A	James E. Shipley	Issuer Ownership Reorg.	Restricted	144
2/19/24	New Issuance	6,000,000	Series J Preferred	N/A	N/A	James E. Shipley	Issuer Ownership Reorg.	Restricted	144
2/20/24	New Issuance	967,742	Common	\$0.031	Yes	Tyler E. Junker	Note Conversion	Restricted	144
2/23/24	New Issuance	5,322,580	Common	\$0.031	Yes	Jeffrey Mortimer	Note Conversion	Restricted	144
2/24/24	New Issuance	322,580	Common	\$0.031	Yes	Tracy Junker	Note Conversion	Restricted	144
3/04/24	New Issuance	571,429	Common	\$0.035	Yes	Victoria Schwab and David Schwab	Note Conversion	Restricted	144
3/06/24	New Issuance	714,286	Common	\$0.035	Yes	Tyler E. Junker	Note Conversion	Restricted	144
3/08/24	New Issuance	714,286	Common	\$0.035	Yes	Tyler E. Junker	Note Conversion	Restricted	144

3/15/24	New Issuance	1,428,571	Common	\$0.035	Yes	Stuart Bestul	Note Conversion	Restricted	144
3/15/24	Cancellation	2,500,000	Series B Preferred	N/A	N/A	Russell Kidder	Issuer Ownership Reorg.	Restricted	144
3/22/24	New Issuance	613,497	Common	\$0.033	Yes	Elaine McNiff	Note Conversion	Restricted	144
4/10/24	New Issuance	1,105,496	Common	\$0.033	Yes	Tyler E. Junker	Note Conversion	Restricted	144
4/17/24	New Issuance	5,797,101	Common	\$0.034	Yes	Derek Anderson	Note Conversion	Restricted	144
4/17/24	New Issuance	726,744	Common	\$0.034	Yes	Tyler E. Junker	Note Conversion	Restricted	144
6/01/24	New Issuance	979,432	Common	\$0.041	Yes	Tyler E. Junker	Note Conversion	Restricted	144
6/11/24	New Issuance	290,698	Common	\$0.034	Yes	Danny R., Waid & Karen E. Waid	Note Conversion	Restricted	144
6/11/24	New Issuance	290,698	Common	\$0.034	Yes	Todd W. Folkerts & Michelle K. Folkerts	Note Conversion	Restricted	144
6/11/24	New Issuance	3,333,333	Common	\$0.045	Yes	Tanq Investments LLC (Timothy B. Guenther)	Note Conversion	Restricted	144
6/11/24	New Issuance	290,698	Common	\$0.034	Yes	James R. Finley	Note Conversion	Restricted	144
6/11/24	New Issuance	872,093	Common	\$0.034	Yes	Dennis W. Dudley	Note Conversion	Restricted	144

6/11/24	New Issuance	1,071,429	Common	\$0.042	Yes	Dennis W. Dudley	Note Conversion	Restricted	144
6/11/24	New Issuance	1,162,791	Common	\$0.034	Yes	Troy Even & Kelli Even	Note Conversion	Restricted	144
6/18/24	New Issuance	1,000,000	Common	\$0.042	Yes	Louis Zumbach and Debra Zumbach	Note Conversion	Restricted	144
6/20/24	New Issuance	290,698	Common	\$0.034	Yes	Andrew J. MacLennan & Tressa E. MacLennan	Note Conversion	Restricted	144
6/20/24	New Issuance	119,047	Common	\$0.042	Yes	James Martindale	Note Conversion	Restricted	144
6/21/24	New Issuance	1,666,667	Common	\$0.042	Yes	Brandon Bailey & Alisha Bailey	Note Conversion	Restricted	144
6/21/24	New Issuance	1,162,791	Common	\$0.034	Yes	Fam5 Investments LLC (Jason Huff)	Note Conversion	Restricted	144
4/19/24	New Issuance	581,395	Common	\$0.034	Yes	Schwab, Tori and Alta	Note Conversion	Restricted	144
5/29/24	New Issuance	2,232,143	Common	\$0.044	Yes	Pacific Premier Trust, FBO William C. Clark (William C. Clark)	Note Conversion	Restricted	144
6/10/24	New Issuance	1,904,761	Common	\$0.042	Yes	Wilson, David and Karen	Note Conversion	Restricted	144
6/24/24	New Issuance	305,232	Common	\$0.034	Yes	David Laing	Note Conversion	Restricted	144
6/26/24	New Issuance	872,093	Common	\$0.034	Yes	Dennis Nowels	Note Conversion	Restricted	144

7/08/24	Cancellation	2,500,000	Series D Preferred	N/A	N/A	Shibue Couture, Inc.	Rescission	Restricted	144
9/06/24	New Issuance	279,486	Common	\$0.034	Yes	Marcus Ludtke	Note Conversion	Restricted	133
9/06/24	New Issuance	1,956,400	Common	\$0.034	Yes	Bestul Holdings LLC (Stuart Bestul)	Note Conversion	Restricted	133
9/16/24	New Issuance	285,714	Common	\$0.035	Yes	James Martindale	Note Conversion	Restricted	133
9/17/24	New Issuance	1,472,320	Common	\$0.034	Yes	Tyler E. Junker	Note Conversion	Restricted	144
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u> <u>Date 9/30/24</u>  Common: 146,651,073 Preferred Series A: 5,000,000 Preferred Series B: 7,500,000 Preferred Series D: 0 Preferred Series E: 10,000,000 Preferred Series G: 1,250,000 Preferred Series H: 1,000,000 Preferred Series I: 40,000 Preferred Series J: 6,000,000									

**Example:** A company with a fiscal year end of December 31<sup>st</sup> 2023, 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, 2022 through December 31, 2023 pursuant to the tabular format above.

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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)

<b>Date of Note Issuance</b>	<b>Outstanding Balance (\$)</b>	<b>Principal Amount at Issuance (\$)</b>	<b>Interest Accrued (\$)</b>	<b>Maturity Date</b>	<b>Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)</b>	<b>Name of Noteholder (entities must have individual with voting / investment control disclosed).</b>	<b>Reason for Issuance (e.g. Loan, Services, etc.)</b>
<u>2/13/23</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$1,322</u>	<u>2/13/24</u>	<u>N/A</u>	<u>David Sun</u>	<u>Loan</u>
<u>2/14/23</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$1,320</u>	<u>2/14/24</u>	<u>N/A</u>	<u>Mandy Zhang</u>	<u>Loan</u>
<u>4/25/23</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$3,816</u>	<u>4/25/25</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Burke Miede</u>	<u>Loan</u>
<u>5/9/23</u>	<u>\$35,000</u>	<u>\$35,000</u>	<u>\$833</u>	<u>5/9/25</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Travis Mattoon</u>	<u>Loan</u>
<u>5/10/23</u>	<u>\$50,000</u>	<u>\$250,000</u>	<u>\$5,736</u>	<u>5/10/25</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Derek Anderson</u>	<u>Loan</u>
<u>5/10/23</u>	<u>\$20,000</u>	<u>\$40,000</u>	<u>\$2,375</u>	<u>5/10/25</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Luke &amp; Brittany Scott</u>	<u>Loan</u>
<u>5/18/23</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$4,159</u>	<u>5/18/25</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Bestul Holdings LLC (Stuart Bestul)</u>	<u>Loan</u>
<u>8/25/23</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$1,789</u>	<u>8/25/25</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Arnold E. Delbridge</u>	<u>Loan</u>
<u>9/12/23</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$5,083</u>	<u>9/12/25</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Burke Miede</u>	<u>Loan</u>
<u>10/2/23</u>	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$1,828</u>	<u>10/2/25</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Matt Smith</u>	<u>Loan</u>
<u>10/03/23</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$3,833</u>	<u>10/3/25</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Bestul Holdings LLC (Stuart Bestul)</u>	<u>Loan</u>
<u>2/20/24</u>	<u>\$35,000</u>	<u>\$200,000</u>	<u>\$2,306</u>	<u>2/20/26</u>	<u>80% of average stock price during 10 days before the conversion date</u>	<u>Jeffrey Mortimer</u>	<u>Loan</u>
<u>3/15/24</u>	<u>\$1,750,000</u>	<u>\$1,750,000</u>	<u>\$53,861</u>	<u>3/15/26</u>	<u>N/A</u>	<u>James E. Shipley</u>	<u>Consideration for repurchase of Series B Preferred Shares</u>

3/15/24	\$1,175,000	\$1,250,000	\$2,627	3/15/27	N/A	Russell Kidder	Consideration for repurchase of Series B Preferred Shares
5/31/24	\$1,900,000	\$1,900,000	\$51,511	5/31/27	N/A	Jeremy M. Larsen	Acquisition of Kinzie LLC
5/31/24	\$1,900,000	\$1,900,000	\$51,511	5/31/27	N/A	Courtney A. Larsen	Acquisition of Kinzie LLC
6/12/2024	\$10,000	\$15,000	\$300	6/12/26	80% of average stock price during 10 days before the conversion date	James Martindale	Loan
9/11/24	\$20,000	\$20,000	\$106	9/11/24	80% of average stock price during 10 days before the conversion date	Dan Levi	Loan

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

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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. 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")

Southern ITS International, Inc. intends to own and/or control a portfolio of highly- successful businesses and will focus on a being a multi-national conglomerate. As a holding company, Southern ITS International will be in the market to acquire a stake in various companies both public and private. It will also focus on building a direct sales network of various e-commerce internet applications, manufacturing, and internet sales of various products. We will build an experienced management team that will build a diverse portfolio, buying entire companies, or interests therein, involved in technology, oil and gas, manufacturing, real estate, and other sectors, which will then become operating subsidiaries of Southern ITS International.

The business of our subsidiaries, or companies in which we have investments, is as follows:

Pure Oil & Gas, Inc., in which the Company has a 55% ownership voting interest, has created four (4) Texas Limited Partnerships, in which it is the managing General Partner, to raise investment capital for placement in projects with ICS Energy, Inc., its driller-operator. In each limited partnership Pure Oil & Gas, Inc. has a 20% carried working interest. As of September 30, 2024 we have drilled and completed 14 wells with the wells currently in production. We anticipate drilling an additional 3 wells this year with funds already raised.

Growth Goods, Inc., our wholly owned subsidiary provides e-Commerce fulfillment services, including online order management, warehousing, distribution, and delivery services for a wide variety of consumer products.

Kinzie LLC, dba Kinzie Direct, is our 80% owned subsidiary. Kinzie focuses on working with companies to improve their presence on e-commerce sites. Through focused and strategic online sales, we maximize visibility and profitability

for our client partners. Kinzie's primary focus is to forge direct partnerships with brands, obtaining exclusive rights to sell their products on Amazon. This ensures that their clients' brands are represented with a consistent and strategic approach. Through focused and strategic online sales, we maximize visibility and profitability for our partners.

Ingenious Roasters, LLC, in which the Company has a 55% ownership interest, was formed to compete in the beverage industry. Ingenious Roasters is dedicated to creating and developing exceptional beverage brands, with a focus on delivering innovative products that meet the evolving needs and preferences of consumers. Its initial focus will be on launching a revolutionary nutrition drink infused with coffee. A rollout of this brand in the marketplace is expected in the 4<sup>th</sup> quarter of 2024.

Gen 7 Health, Inc. is newly formed by the Company. We intend that Gen 7 Health will be driving the growth of businesses and technologies that are transforming the healthcare industry. With our strategic insight and industry expertise, we are at the forefront of health and wellness, developing solutions that anticipate and seize emerging opportunities. Gen 7 Health was founded with a vision to bridge the gap between technology and healthcare. Recognizing the growing need for efficient, accessible, and effective healthcare solutions, we set out to develop tools and systems to transform patient care and operational efficiency. Gen 7 Health, Inc. is 80% owned by the Company.

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

Pure Oil & Gas, Inc. is 55% owned by the Company.

Growth Goods, Inc. is a wholly owned subsidiary of the Company.

Kinzie LLC is 80% owned by the Company.

Ingenious Roasters LLC is 55% owned by the Company.

Gen 7 Health, Inc. is 80% owned by the Company.

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C. Describe the issuers' principal products or services.

See 5A, above.

## **5) Issuer's Facilities**

*The goal of this section is to provide investors 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. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company presently maintains a 3,000 square foot office/warehouse space located at 11180 Aurora Ave. Building 13-2, Urbandale, IA 50322. The Company has additional office spaces of 600 square feet in Waterloo, IA and 500 square feet in Scottsdale, AZ. All facilities are leased.

## **6) All Officers, Directors, and Control Persons of the Company**

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. 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. 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 investors 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 owners.*

Name of Officer/Director or Control Person	Affiliation with Company (e.g., Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding (1)	Names of control person(s) if a corporate entity
<u>Gil Irey (2)/(3)</u>	<u>President, Director and 5% shareholder</u>	<u>Waterloo, Iowa</u>	<u>5,000,000</u>	<u>Series B Preferred</u>	<u>66.67%</u>	<u>N/A</u>
			<u>836,667</u>	<u>Common</u>	<u>0.006%</u>	
			<u>1,666,667</u>	<u>Series A Preferred</u>	<u>33.34%</u>	
<u>Chad Allen Shipman (4)/(5)</u>	<u>Secretary, Director and 5% shareholder</u>	<u>Waterloo, IA</u>	<u>5,000,000</u>	<u>Series E Preferred</u>	<u>50%</u>	<u>N/A</u>
			<u>166,666</u>	<u>Common</u>	<u>0.001%</u>	
			<u>1,666,666</u>	<u>Series A Preferred</u>	<u>33.33%</u>	
<u>Jeremy Larsen (6)/(7)</u>	<u>Treasurer/CFO, Director and 5% shareholder</u>	<u>Scottsdale, AZ</u>	<u>5,000,000</u>	<u>Series E Preferred</u>	<u>50%</u>	<u>N/A</u>
			<u>4,166,666</u>	<u>Common</u>	<u>2.84%</u>	
			<u>1,666,666</u>	<u>Series A Preferred</u>	<u>33.33%</u>	
<u>James E. Shipley (8)</u>	<u>5% shareholder</u>	<u>Palm Desert, CA</u>	<u>6,000,000</u>	<u>Series J Preferred</u>	<u>100%</u>	<u>N/A</u>
<u>Russell Kidder</u>	<u>Chief Compliance Officer and 5% shareholder</u>	<u>Palm Springs, CA</u>	<u>2,500,000</u>	<u>Series B Preferred</u>	<u>33.33%</u>	<u>N/A</u>

<u>Tyler Junker</u>	<u>5% shareholder</u>	<u>Waterloo, IA</u>	<u>7,335,188</u>	<u>Common</u>	<u>5.00%</u>	<u>N/A</u>
<u>Eduardo Gonzalez</u>	<u>5% Shareholder</u>	<u>Whittier, CA</u>	<u>1,250,000</u>	<u>Series G Preferred</u>	<u>100%</u>	<u>N/A</u>
<u>Compassionate Trust 2</u>	<u>5% Shareholder</u>	<u>Cypress, TX</u>	<u>500,000</u>	<u>Series H Preferred</u>	<u>50%</u>	<u>William Holder, Jr., Trustee</u>
<u>William Holder III</u>	<u>5% Shareholder</u>	<u>Cypress, TX</u>	<u>500,000</u>	<u>Series H Preferred</u>	<u>50%</u>	<u>N/A</u>
<u>Daniel Cohen</u>	<u>5% Shareholder</u>	<u>Ft. Lauderdale, FL</u>	<u>40,000</u>	<u>Series I Preferred</u>	<u>100%</u>	<u>N/A</u>

## Notes

- (1) The percentage of common shares owned is based on 146,651,073 shares issued and outstanding on 9/30/24. The percentage of Series A preferred stock is based on 5,000,000 shares issued and outstanding on 9/30/24. The percentage of Series B preferred stock is based on 7,500,000 shares issued and outstanding on 9/30/24. The percentage of Series E preferred stock is based on 10,000,000 shares issued and outstanding on 9/30/24. The percentage of Series G preferred stock is based on 1,250,000 shares issued and outstanding on 9/30/24. The percentage of Series H preferred stock is based on 1,000,000 shares issued and outstanding on 9/30/24. The percentage of Series I preferred stock is based on 40,000 shares issued and outstanding on 9/30/24. The percentage of Series J preferred stock is based on 6,000,000 shares issued and outstanding on 9/30/24.
- (2) Mr. Irely owns the Series A Preferred Stock shares through his 33.34% interest in JCG Development LLC.
- (3) Mr. Irely owns 166,667 shares of Common Stock through his 33.34% interest in CJX Properties LLC. The remainder are held in his name.
- (4) Mr. Shipman owns the Common Stock shares through his 33.33% interest in CJX Properties LLC.
- (5) Mr. Shipman owns the Series A Preferred Stock shares through his 33.33% interest in JCG Development LLC.
- (6) Mr. Larsen owns 166,666 shares of the Common Stock through his 33.33% interest in CJX Properties LLC. The remainder are held in his name.
- (7) Mr. Larsen owns the Series A Preferred Stock shares through his 33.33% interest in JCG Development LLC.

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

N/A

2. Been the subject of 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, financial- or investment-related, insurance or banking activities;

N/A

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

N/A

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

N/A

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

N/A

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

N/A

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to 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.

N/A

## 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.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name:	Robert J. Huston III, Attorney at Law
Address 1:	10 Jetty Drive
Address 2:	<u>Corona del Mar, CA 92625</u>
Phone:	<u>949-230-0259</u>
Email:	<a href="mailto:bob_huston@yahoo.com">bob_huston@yahoo.com</a>

Auditor

Name: N/A  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Investor Relations

Name: N/A  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### *All other means of Investor Communication:*

X (Twitter): @SITS\_Inc  
Discord: \_\_\_\_\_  
LinkedIn: \_\_\_\_\_  
Facebook: \_\_\_\_\_  
[Other ]: \_\_\_\_\_

#### 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.

Name: Russell Kidder  
Firm: Southern ITS International, Inc.  
Nature of Services: Preparation of Disclosure Statement  
Address 1: 13901 N. 73<sup>rd</sup> Street  
Address 2: Scottsdale, AZ 85260  
Phone: 480-258-3674  
Email: info@sitsintl.com

Firm: PubCo Reporting Solutions, Inc.  
Nature of Services: Financial statement, accounting, and US GAAP support  
Address 1: 610 – 475 W Georgia St  
Address 2: Vancouver, BC Canada  
Phone: (305) 396-1415  
Email: info@pubcoreporting.com

### **9) Disclosure & Financial Information**

A. This Disclosure Statement was prepared by (name of individual):

Name: Russell Kidder  
Title: Chief Compliance Officer  
Relationship to Issuer: Chief Compliance Officer of Issuer

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

- IFRS  
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Gil Irely

Title: President

Relationship to Issuer: President of the Issuer

Describe the qualifications of the person or persons who prepared the financial statements:<sup>5</sup>

Gil Irely has over 42 years of corporate leadership experience in both private and public companies. He has been involved in roles as the CEO and CFO of companies during that time. In his roles, he has been active in preparing financial statements these companies.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

**Financial Statement Requirements:**

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

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<sup>5</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

## 10) Issuer Certification

### *Principal Executive Officer:*

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

The certifications shall follow the format below:

I, Gil Irey certify that:

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

November 19, 2024

/s/ Gil Irey

### *Principal Financial Officer:*

I, Jeremy Larsen, certify that:

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

November 19, 2024

/s/ Jeremy Larsen

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**For the nine months ended September 30, 2024 and 2023**

**Southern ITS International, Inc.**  
**Consolidated Balance Sheets**  
**(Unaudited)**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 2,886,640	\$ 259,828
Prepaid expenses	1,936,632	9,855
Inventory	144,046	-
Due from related parties	-	257,000
Total current assets	4,967,318	526,683
Property and equipment, net	29,052	-
Intangible Assets, net	9,250	-
Oil and Gas Exploration Cost - Tangible, net	556,826	-
Oil and Gas Exploration Cost - Intangible	3,316,023	-
Goodwill	4,080,770	-
<b>Total Assets</b>	<b>\$ 12,959,239</b>	<b>\$ 526,683</b>
<b>Liabilities, Mezzanine Equity and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 97,252	\$ 60,246
Line of credit	160,760	-
Accrued Interest	46,784	69,206
Accrued Interest - related parties	159,509	-
Due to related parties	5,239	780,214
Automobile Loan - current portion	14,615	-
Convertible notes payable, net of note discount	232,757	90,249
Notes payable	20,000	20,000
Derivative Liability	402,644	4,484,123
Total Current liabilities	1,139,560	5,504,038
Note payable - related parties	6,675,000	-
Automobile Loan - non-current portion	46,395	-
Convertible notes payable, non-current portion, net of note discount	98,586	235,700
<b>Total Liabilities</b>	<b>7,959,541</b>	<b>5,739,738</b>
<b>Mezzanine Equity:</b>		
Series D Preferred stock, \$0.001 par value, 2,500,000 shares designated; 0 and 2,500,000 shares issued and outstanding, respectively	-	2,500,000
<b>Stockholders' Equity (Deficit):</b>		
Preferred stock, \$0.001 par value, 100,000,000 shares authorized		
Series A Preferred stock, \$0.001 par value, 10,000,000 shares designated; 5,000,000 shares issued and outstanding	5,000	5,000
Series B Preferred stock, \$0.001 par value, 15,000,000 shares designated; 7,500,000 shares and 15,000,000 shares issued and outstanding, respectively	7,500	15,000
Series E Preferred stock, \$0.001 par value, 10,000,000 shares designated; 10,000,000 shares issued and outstanding	10,000	10,000
Series G Preferred stock, \$0.001 par value, 30,000,000 shares designated; 1,250,000 shares issued and outstanding	1,250	1,250
Series H Preferred stock, \$0.001 par value, 1,000,000 shares designated; 1,000,000 shares issued and outstanding	1,000	1,000

Series I Preferred stock, \$0.001 par value, 10,000,000 shares designated; 40,000 shares issued and outstanding	40	40
Series J Preferred stock, \$0.001 par value, 6,000,000 shares designated; 6,000,000 shares and 0 shares issued and outstanding, respectively	6,000	-
Common stock, \$0.001 par value, 900,000,000 shares authorized; 151,355,536 and 104,320,659 shares issued and outstanding, respectively	151,355	104,320
Common stock payable	353,300	32,500
Additional paid-in capital	34,667,482	20,607,184
Accumulated deficit	(29,777,850)	(28,489,349)
<b>Total Stockholders' Equity (Deficit) attributed to Southern ITS International, Inc.</b>	<u>5,425,077</u>	<u>(7,713,055)</u>
Accumulated deficit attributed to non-controlling interest	(425,379)	-
Total Stockholders' Equity (Deficit) attributed to Southern ITS International, Inc.	<u>4,999,698</u>	<u>(7,713,055)</u>
<b>Total Liabilities, Mezzanine Equity and Stockholders' Equity (Deficit)</b>	<u>\$ 12,959,239</u>	<u>\$ 526,683</u>

**See accompanying notes to unaudited consolidated financial statements.**

**Southern ITS International, Inc.**  
**Consolidated Statement of Operations**  
**(Unaudited)**

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Sales Revenue	\$ 2,206,421	\$ -
Cost of Sales	1,411,253	-
	795,168	-
Oil Revenue	66,005	-
Cost of Sales	3,050	-
	62,955	-
Service Revenue - related party	14,327	33,678
Rental Revenue - related party	24,000	-
Gross Profit	896,450	33,678
 <b>Operating expense</b>		
General and Administration	823,337	54,983
Professional fees	358,527	521,796
Professional fees - related parties	231,750	133,675
Management salaries - related parties	78,017	360,000
Amortization and depreciation	12,003	-
Depletion	9,901	-
Oil and gas exploration	614,850	-
Share acquisition cost	-	279,600
Total operating expense	2,128,385	1,350,054
Loss from operations	(1,231,935)	(1,316,376)
 <b>Other income (expense)</b>		
Interest expense	(502,675)	(272,939)
Interest income	36,646	-
Gain (loss) on change in fair value of derivative liabilities	596,273	(5,193,930)
Forgiveness of related party loans receivable	(194,924)	(112,739)
Write-off of property and equipment	(388,822)	-
Write-off of investment	(38,940)	-
Loss on settlement of debts	(32,012)	-
Total other income (expense)	(524,453)	(5,579,608)
Loss before income taxes	(1,756,388)	(6,895,984)
Income tax provision	-	-
Net loss	\$ (1,756,388)	\$ (6,895,984)
Less: Net loss attributable to non-controlling interest	(467,887)	-
Net loss attributable to Southern ITS International, Inc.	(1,288,501)	(6,895,984)
Basic and diluted net loss per common share:		
Net loss per common share	\$ (0.01)	\$ (0.08)
Weighted average number of common shares outstanding	133,469,176	88,044,654

**See accompanying notes to unaudited consolidated financial statements.**

**Southern ITS International, Inc.**  
**Consolidated Statements of Changes in Mezzanine Equity and Stockholders' Deficit**  
**For the nine months ended September 30, 2024 and 2023**  
**(Unaudited)**

	Nine Months Ended			
	September 30,			
	2024		2023	
	Shares	Amount	Shares	Amount
<b>Series D Preferred Stock</b>				
Balance at beginning of period	2,500,000	\$ 2,500,000	2,500,000	\$ 2,500,000
Return of Preferred D from related party	(2,500,000)	(2,500,000)	-	-
Balance at end of period	<u>-</u>	<u>\$ -</u>	<u>2,500,000</u>	<u>\$ 2,500,000</u>
<hr/>				
<b>Series A Preferred Stock</b>				
Balance at beginning of period	5,000,000	\$ 5,000	5,000,000	\$ 5,000
Balance at end of period	<u>5,000,000</u>	<u>\$ 5,000</u>	<u>5,000,000</u>	<u>\$ 5,000</u>
<b>Series B Preferred Stock</b>				
Balance at beginning of period	15,000,000	\$ 15,000	15,000,000	\$ 15,000
Repurchase of preferred B for issuance of preferred J	(5,000,000)	(5,000)	-	-
Repurchase of preferred B	(2,500,000)	(2,500)	-	-
Balance at end of period	<u>7,500,000</u>	<u>\$ 7,500</u>	<u>15,000,000</u>	<u>\$ 15,000</u>
<b>Series E Preferred Stock</b>				
Balance at beginning of period	10,000,000	\$ 10,000	10,000,000	\$ 10,000
Balance at end of period	<u>10,000,000</u>	<u>\$ 10,000</u>	<u>10,000,000</u>	<u>\$ 10,000</u>
<b>Series G Preferred Stock</b>				
Balance at beginning of period	1,250,000	\$ 1,250	1,250,000	\$ 1,250
Balance at end of period	<u>1,250,000</u>	<u>\$ 1,250</u>	<u>1,250,000</u>	<u>\$ 1,250</u>
<b>Series H Preferred Stock</b>				
Balance at beginning of period	1,000,000	\$ 1,000	1,000,000	\$ 1,000
Balance at end of period	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>1,000,000</u>	<u>\$ 1,000</u>
<b>Series I Preferred Stock</b>				
Balance at beginning of period	40,000	\$ 40	-	\$ -
Issuance of preferred I stock and warrants for cash	-	-	40,000	40
Balance at end of period	<u>40,000</u>	<u>\$ 40</u>	<u>40,000</u>	<u>\$ 40</u>
<b>Series J Preferred Stock</b>				
Balance at beginning of period	-	\$ -	-	\$ -
Issuance of preferred I stock for repurchase of preferred B	6,000,000	6,000	-	-
Balance at end of period	<u>6,000,000</u>	<u>\$ 6,000</u>	<u>-</u>	<u>\$ -</u>
<b>Common Stock</b>				
Balance at beginning of period	104,320,659	\$ 104,320	162,562,328	\$ 162,562
Cancellation of common stock for court order	-	-	(86,225,000)	(86,225)

Issuance of common stock for cash	-	-	1,250,000	1,250
Issuance of common stock for acquisition for acquisition of Prestige Marketing Consultants, Inc.	-	-	1,200,000	1,200
Issuance of common stock for conversion of debt	47,034,877	47,035	2,800,000	2,800
Issuance of common stock for services - related party	-	-	1,000,000	1,000
Issuance of common stock for services	-	-	4,800,000	4,800
Balance at end of period	<u>151,355,536</u>	<u>\$ 151,355</u>	<u>87,387,328</u>	<u>\$ 87,387</u>

#### Common Stock Payable

Balance at beginning of period	1,500,000	\$ 32,500	1,500,000	\$ 32,500
Acquisition of Kinzie LLC	4,000,000	220,800	-	-
Acquisition of Ingenious Roasters LLC	2,500,000	100,000	-	-
Balance at end of period	<u>8,000,000</u>	<u>\$ 353,300</u>	<u>1,500,000</u>	<u>\$ 32,500</u>

#### Additional Paid-In Capital

Balance at beginning of period	\$ 20,607,184	\$ 19,041,642
Issuance of common stock for cash	-	23,750
Issuance of common stock for conversion of debt	1,878,399	224,000
Cancellation of common stock for court order	-	86,225
Issuance of preferred I stock and warrants for cash	-	19,960
Issuance of common stock for services	-	364,200
Issuance of common stock for services - related party	-	39,000
Issuance of common stock for acquisition of Prestige Marketing Consultants, Inc.	-	68,400
Settlement of convertible notes	3,119,080	-
Return of Preferred D stock	2,500,000	-
Repurchase Preferred B stock	(1,247,500)	-
Issuance of Preferred J stock for repurchase of Preferred B Stock	(1,751,000)	-
Management salaries forgiveness	918,017	-
Related party loan forgiveness	415,294	-
Acquisition adjustment	8,228,008	-
Balance at end of period	<u>\$ 34,667,482</u>	<u>\$ 19,867,177</u>

#### Accumulated Deficit

Balance at beginning of period	\$ (28,489,349)	\$ (22,171,460)
Net loss	(1,288,501)	(6,895,984)
Balance at end of period	<u>\$ (29,777,850)</u>	<u>\$ (29,067,444)</u>

#### Non-Controlling Interest

Balance at beginning of period	\$ -	\$ -
Acquisition adjustment	42,508	-
Net loss	(467,887)	-
Balance at end of period	<u>\$ (425,379)</u>	<u>\$ -</u>

<b>Total Stockholders' Deficit at beginning of period</b>	<u>\$ (7,713,055)</u>	<u>\$ (2,902,506)</u>
<b>Total Stockholders' Equity (Deficit) at end of period</b>	<u>\$ 4,999,698</u>	<u>\$ (9,048,090)</u>

See accompanying notes to unaudited consolidated financial statements.

**Southern ITS International, Inc.**  
**Consolidated Statement of Cash Flow**  
**(Unaudited)**

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (1,756,388)	\$ (6,895,984)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation - related parties	-	40,000
Stock based compensation	-	369,000
Share acquisition cost	-	279,600
Gain (loss) on change in fair value of derivative liabilities	(596,273)	5,193,930
Amortization of debt discount	236,050	231,486
Depreciation of property and equipment	11,253	-
Amortization of intangible assets	750	-
Depletion of oil and exploration cost	9,901	-
Related party loan forgiveness	194,924	112,739
Loss on settlement of debts	32,012	-
Write off of property and equipment	388,822	-
Changes in operating assets and liabilities:		
Prepaid expenses	(1,926,777)	(9,855)
Due from related party for services	-	32,376
Inventory	(144,046)	-
Accounts payable and accrued liabilities	37,006	(7,097)
Accrued interest	(22,422)	27,155
Accrued interest - related parties	159,509	-
Automobile loan	61,010	-
Accrued salary payable to related parties	78,017	360,000
Net cash used in operating activities	(3,236,652)	(266,650)
<b>Cash Flows from Investing Activities</b>		
Acquisition of Kinzie LLC	(24,962)	-
Acquisition of Gen 7 Health	7,500	-
Additional acquisition of equity interest of subsidiary Ingenious Roasters, LLC	(55,000)	-
Oil and Gas Exploration Cost - tangible	(566,727)	-
Oil and Gas Exploration Cost - intangible	(3,316,023)	-
Acquisition of property and equipment	(429,127)	-
Acquisition of intangible assets	(10,000)	-
Advances to related parties	-	(484,739)
Repayment from related parties	143,000	65,000
Net cash used in investing activities	(4,251,339)	(419,739)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of preferred I stock and warrants	-	20,000
Proceeds from issuance of convertible notes	1,417,500	820,000
Proceeds from issuance of common stock	-	25,000
Proceeds from issuance of promissory notes	-	20,000
Proceeds from net contribution from limited partners of Pure Oil & Gas Inc.	8,383,008	-
Net Proceeds from Line of Credit	160,760	-
Repayment of promissory note to related party	(75,000)	-
Repayment of convertible notes	(120,861)	-
Advances to related parties	(134,887)	-

Advances from related parties	484,483	14,300
Repayment to related parties	(200)	(43,953)
Net cash provided by financing activities	<u>10,114,803</u>	<u>855,347</u>
Net change in cash and cash equivalents	2,626,812	168,958
Cash - beginning of period	<u>259,828</u>	<u>2,571</u>
Cash - end of period	<u>\$ 2,886,640</u>	<u>\$ 171,529</u>
Supplemental cash flow disclosures:		
Cash paid for interest	<u>\$ 108,316</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing and financing activity:		
Cancellation of common stock for court order	<u>\$ -</u>	<u>\$ 86,225</u>
Debt discount from derivative liabilities	<u>\$ 521,903</u>	<u>\$ 897,040</u>
Derivative liabilities reclass to additional paid-in capital due to note conversion	<u>\$ 888,029</u>	<u>\$ 224,000</u>
Issuance of common stock for conversion of debt and accrued interest	<u>\$ 1,037,405</u>	<u>\$ 2,800</u>
Return of Preferred D from related party	<u>\$ 2,500,000</u>	<u>\$ -</u>
Repurchase of preferred B stock through issuance of promissory notes	<u>\$ 1,250,000</u>	<u>\$ -</u>
Repurchase of preferred B stock through issuance of promissory note and preferred J stock	<u>\$ 1,750,000</u>	<u>\$ -</u>
Issuance of common stock for acquisition of Prestige Marketing Consultants, Inc.	<u>\$ -</u>	<u>\$ 69,600</u>
Management salary forgiveness	<u>\$ 918,017</u>	<u>\$ -</u>
Related party loan forgiveness	<u>\$ 415,294</u>	<u>\$ -</u>
Stock payable for additional acquisition of equity interest of subsidiary Ingenious Roasters, LLC	<u>\$ 100,000</u>	<u>\$ -</u>

**See accompanying notes to unaudited consolidated financial statements.**

**Southern ITS International, Inc.**  
**Notes to Unaudited Consolidated Financial Statements**  
**September 30, 2024**

**NOTE 1 – NATURE AND DESCRIPTION OF BUSINESS**

Southern ITS International, Inc. (the “Company”) was incorporated in the State of Nevada on September 27, 1984.

On November 19, 2021, the Company and other founders formed Pure Oil & Gas Inc. in which the Company holds 20% interest under equity investment. On March 27, 2024, the Company entered into a Restructuring Agreement with the other owners of Pure Oil & Gas, Inc., so that the Company now owns 55% of all of the issued and outstanding shares of voting stock of Pure Oil & Gas, Inc., thus, making it a 55% owned subsidiary of the Company.

Effective April 18, 2022, the Company acquired a 30% interest in Growth Goods, Inc., a Des Moines, Iowa – based e-Commerce company. Growth Good, Inc. was formed by the Company and other founders on February 25, 2021. The Company owns 150,000 shares of the 500,000 authorized and issued shares of common stock. No consideration was involved in the acquisition of 30% interest in Growth Goods, Inc. The Company has a controlling financial interest in and is the primary beneficiary of Growth Goods, Inc. being the variable interest entity of the Company. On March 19, 2024, the Company entered into a Securities Purchase Agreement with the other owners of Growth Goods, Inc., so that the Company now owns 100% of all of the issued and outstanding shares of voting stock of Growth Goods, Inc., thus, making it a wholly owned subsidiary of the Company.

During the year ended December 31, 2022, the Company issued 3,000,000 shares of common stock at \$0.07 per share to acquire a 30% interest in Prestige Marketing Consultants, Inc., a State of Delaware based marketing consulting company. On June 30, 2023, the Company issued 1,200,000 shares of common stock at \$0.058 per share to acquire an additional 40% interest in the marketing company. As of September 30, 2024, Prestige Marketing Consultants, Inc. do not have any net assets and operations and the Company fully impaired the 70% investment holding in the Company.

In September 30, 2023, Ingenious Roasters LLC, an Arizona limited liability company., was formed by the Company which is now holding 45% interest in the Company. No consideration was involved in the acquisition of Ingenious Roasters LLC. The Company is currently developing future business plan with Ingenious Roasters LLC expected to commence in Q1 2024. On Mach 26, 2024, the Company entered into a Member Interests Purchase Agreement with the other members and owners of Ingenious Roasters LLC with a consideration of \$55,000 in cash and \$100,000 in common stock, so that the Company now owns 55% of all of the issued and outstanding member interests of Ingenious Roasters LLC, thus, making it a subsidiary of the Company.

On May 31, 2024, the Company acquired an Eighty percent (80%) interest in Kinzie LLC, an Iowa limited liability company. Kinzie, which was formed in 2013, is a well-seasoned, high volume Amazon account seller and distributor of various brands of consumer products.

During the three months ended June 30, 2024, the Company formed Gen 7 Health, Inc., a Wyoming corporation, with the intent for Gen 7 Health, Inc. to drive the growth of businesses and technologies that are transforming the healthcare industry. We expect to invest in and form joint ventures with both existing and visionary technology companies offering solutions for the healthcare industry. As of September 30, 2024, the Company owns 80% interest in Gen 7 Health, Inc.

On March 18, 2024, the Company has filed for corporation name change from Southern ITS International, Inc. to Corp HQ, Inc. currently pending for approval from FINRA.

As of September 30, 2024, the Company holds a 100% interest in Growth Goods, Inc., 80% interest in Kinzie LLC and Gen 7 Health, Inc., and a 55% interest in Pure Oil & Gas Inc. and Ingenious Roasters LLC.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation and Principles of Consolidation**

The accompanying consolidated financial statements as of September 30, 2024 include the accounts of the Company and its subsidiaries (note 1). All intercompany accounts and activities have been eliminated. These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

### **Use of Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Business Combinations**

In accordance with ASC 805-10, “*Business Combinations*”, the Company accounts for all business combinations using the acquisition method of accounting. Under this method, assets and liabilities, including any remaining non-controlling interests, are recognized at fair value at the date of acquisition. The excess of the purchase price over the fair value of assets acquired, net of liabilities assumed, and non-controlling interests is recognized as goodwill. Certain adjustments to the assessed fair values of the assets, liabilities, or non-controlling interests made subsequent to the acquisition date, but within the measurement period, which is up to one year, are recorded as adjustments to goodwill. Any adjustments subsequent to the measurement period are recorded in income. Any cost or equity method interest that the Company holds in the acquired company prior to the acquisition is re-measured to fair value at acquisition with a resulting gain or loss recognized in income for the difference between fair value and the existing book value. Results of operations of the acquired entity are included in the Company’s results from the date of the acquisition onward and include amortization expense arising from acquired tangible and intangible assets.

### **Fair Value Measurements**

The Company adopted the provisions of ASC Topic 820, “Fair Value Measurements and Disclosures,” which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts payable, note payable, due to related parties and accrued liabilities are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short and long term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

ASC 820 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, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

- Level 1 – quoted prices in active markets for identical assets or liabilities
- Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable
- Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The derivative liability in connection with the conversion feature of the convertible debt, classified as a level 3 liability, is the only financial liability measured at fair value on a recurring basis.

The following table summarizes fair value measurement by level at September 30, 2024 and December 31, 2023, measured at fair value on a recurring basis:

<b>September 30, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Liabilities</b>				
Derivative liability	-	-	402,644	402,644
<b>December 31, 2023</b>				
<b>Liabilities</b>				
Derivative liability	-	-	4,484,123	4,484,123

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company does not have any cash equivalents.

### **Accounts Receivable**

Accounts receivable are recorded in accordance with ASC 310, "Receivables." Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company does not currently have any amount recorded as an allowance for doubtful accounts. Based on management's estimate and based on all accounts being current, the Company has not deemed it necessary to reserve for doubtful accounts at this time.

### **Inventory**

Inventory is stated at lower of cost or net realizable value, with cost being determined on the weighted average cost method.

No reserves are considered necessary for slow moving or obsolete inventory as inventory on hand at quarter-end was purchased near the end of the quarter. The Company continuously evaluates the adequacy of these reserves and makes adjustments to these reserves as required. As of September 30, 2024 and December 31, 2023, inventory was \$144,046 and \$0, respectively.

### **Prepaid Expense**

Prepaid Expense and Deposits consist of the following:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Prepaid drilling cost	\$ 1,901,247	\$ -
Prepayment for future press release services	11,385	9,855
Deposit for drop shipping stores	24,000	-
	<u>\$ 1,936,632</u>	<u>\$ 9,855</u>

### **Property and Equipment, Net**

Property and equipment are measured using the cost model and is stated at cost less accumulated depreciation. Acquisition cost includes mainly the costs directly attributable to the acquisition and the initial estimated dismantlement, removal, and restoration costs associated with the assets. Depreciation is calculated using the straight-line method over the estimated useful lives, as more details follow. Depreciation is included in operating expenses and is allocated based on estimated usage for each class of asset.

Depreciation Method

Useful Life

Vehicles	Straight-line method	5 years
Furniture and equipment	Straight-line method	5years

Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Expenditures for major renewals and betterments which substantially extend the useful life of assets are capitalized. When items are retired or otherwise disposed of, income is charged or credited for the difference between net book value of the item disposed and proceeds realized thereon.

## Revenue Recognition

The Company recognizes revenue from the sale of products in accordance with ASC 606, “Revenue Recognition” following the five steps procedure:

- Step 1: Identify the contract(s) with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations
- Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company’s revenue mainly derives from product sales and oil sales. During the nine months ended September 30, 2024, the Company recognized revenue of \$2,310,753 comprised of product sales of \$2,206,421, oil revenue of \$66,005, service revenue from related party of \$14,327 and rental revenue from related party of \$24,000, and incurred cost of sales of \$1,414,303 comprised of cost of sales from product revenue of \$1,411,253 and cost of sales from oil sale of \$3,050, resulting in gross profit of \$896,450. During the nine months ended September 30, 2023, the Company recognized service revenue from related party of \$33,678.

## Segments

ASC Topic 280, “Segment Reporting,” requires use of the “management approach” model for segment reporting. The management approach model is based on the way a company’s chief operating decision maker organizes segments within the company for making operating decisions assessing performance and allocating resources. Reportable segments are based on products and services, geography, legal structure, management structure, or any other manner in which management disaggregates a company.

Operating segments are defined as components of an enterprise engaging in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company operates and manages its business as one operating segment and all of the Company’s revenues and operations are currently in the United States.

## Earnings (Loss) per Share

The Company computes basic and diluted net loss per share amounts in accordance with ASC Topic 260, “Earnings per Share.” Basic loss per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares of common stock outstanding during the reporting period. Diluted loss per share reflects the potential dilution that could occur if convertible notes to issue common stock were converted resulting in the issuance of common stock that could share in the loss of the Company. For the nine months ended September 30, 2024 and 2023, convertible notes, convertible preferred shares and warrants were dilutive instruments and were not included in the calculation of diluted loss per share as their effect would be antidilutive.

	September 30, 2024	September 30, 2023
	(Shares)	(Shares)
Preferred Shares	267,450,742	300,458,596
Convertible Notes	17,222,728	88,469,875
Warrants	40,000	40,000
Common Stock Payable	1,500,000	1,500,000

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286,213,470

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390,468,471

As of September 30, 2024 and 2023, the Company had 30,790,000 and 34,790,000 shares of preferred stock issued and outstanding that are convertible into 267,450,742 and 300,458,596 shares of common stock, respectively.

As of September 30, 2024 and 2023, the Company had the principal amount of convertible notes of \$331,343 and \$913,849 that are convertible into 17,222,728 shares and 88,469,875 shares of common stock, respectively.

As of September 30, 2024 and 2023, the Company had 40,000 and 40,000 outstanding warrants to purchase up to 40,000 shares and 40,000 share of common stock exercisable in two years at \$0.75 per share, respectively.

As of September 30, 2024 and 2023, the Company had stock payable of \$32,500 for outstanding 1,500,000 shares of common stock.

### **Commitments and Contingencies**

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

### **Related Party Balances and Transactions**

The Company follows FASB ASC 850, “*Related Party Disclosures*,” for the identification of related parties and disclosure of related party transaction.

### **Convertible Financial Instruments**

The Company account for our convertible financial instruments in accordance with ASC 470-20 “Debt with Conversion and Other Options.” Prior to the adoption of ASU 2020-06 on January 1, 2022, we separated the convertible notes into liability and equity components. The carrying amounts of the liability component of the convertible notes were calculated by measuring the fair value of similar debt instruments that do not have an associated convertible feature. The carrying amounts of the equity components, representing the conversion option, were determined by deducting the fair value of the liability components from the par value of the convertible notes. This difference represents the debt discount that is amortized to interest expense over the terms of the convertible notes using the effective interest rate method.

Following the adoption of ASU 2020-06 on January 1, 2022, which we elected to adopt using a modified retrospective approach, we no longer separate the convertible notes into liability and equity components. Now convertible notes are recorded and disclosed as convertible notes payable, net of unamortized discount.

### **Derivative Financial Instruments**

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. We evaluate all of our financial instruments to determine if such instruments are 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 our derivative financial instruments, the Company used a Black Scholes valuation 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 liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within twelve (12) months of the balance sheet date.

### Share-Based Compensation

The Company accounts for share-based compensation under the fair value method in accordance with ASC 718, “Compensation – Stock Compensation,” which requires all such compensation to employees and non-employees to be calculated based on its fair value of the equity instrument at the grant date and recognized in the earnings over the requisite service or vesting period.

During the nine months ended September 30, 2024 and 2023, the Company recorded \$0 and \$409,000 in stock-based compensation, respectively. The stock-based compensation incurred from common stock awarded to consultants and executives was reported under wages and consulting fees in the statements of operation.

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
Common stock award to consultants	\$ -	\$ 369,000
Common and Preferred stock award to management and executives - related parties	-	40,000
	<u>\$ -</u>	<u>\$ 409,000</u>

### Oil and Gas Property

Costs of lease, exploration, carrying and retaining unproven oil and gas properties are expensed as incurred. The Company expenses all oil and gas exploration costs as incurred as it is still in the exploration stage. If the Company identifies proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs are amortized based on useful life of the oil and gas exploration assets over the proven and probable reserves following the commencement of production.

Interest expense allocable to the cost of developing oil and gas properties and to construct new facilities is capitalized until assets are ready for their intended use.

To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed.

The Company assesses the carrying costs of the capitalized oil and gas properties for impairment under ASC 360-10, “Impairment of long-lived assets”, and evaluates its carrying value under ASC 930-360, “Extractive Activities - Mining”, annually. An impairment is recognized when the sum of the expected undiscounted future cash flows is less than the carrying amount of the oil and gas properties. Impairment losses, if any, are measured as the excess of the carrying amount of the oil and gas properties over its estimated fair value.

Based on the Company’s evaluation, no impairment has been recorded on the oil and gas properties for the period ended September 30, 2024.

During the nine months ended September 30, 2024, the Company capitalized drilling cost of \$3,872,849, net of accumulated depletion of \$9,901. During the nine months ended September 30, 2024, the depletion expense was computed at 15% of oil revenue recognized during the nine months ended September 30, 2024 of \$66,005.

During the nine months ended September 30, 2024, the Company incurred drilling cost of \$614,850.

### **Intangible Assets**

The Company accounts for intangible assets (including mining right) in accordance with ASC 350 "Intangibles-Goodwill and Other."

ASC 350 requires that goodwill and other intangibles with indefinite lives be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value. In addition, ASC 350 requires that goodwill be tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis and between annual tests when circumstances indicate that the recoverability of the carrying amount of goodwill may be in doubt. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value. Significant judgments required to estimate the fair value of reporting units include estimating future cash flows, determining appropriate discount rates and other assumptions. Changes in these estimates and assumptions or the occurrence of one or more confirming events in future periods could cause the actual results or outcomes to materially differ from such estimates and could also affect the determination of fair value and/or goodwill impairment at future reporting dates.

The cost of intangible assets with determinable useful lives is amortized to reflect the pattern of economic benefits consumed, either on a straight-line or accelerated basis over the estimated periods benefited. Patents, technology and other intangibles with contractual terms are generally amortized over their respective legal or contractual lives. When certain events or changes in operating conditions occur, an impairment assessment is performed and lives of intangible assets with determinable lives may be adjusted.

As of September 30, 2024 and December 31, 2023, the organization cost was \$10,000, and accumulated amortization of \$750, for a net carrying amount of \$9,250. The organization cost was amortized under useful life of five years.

### **Recent Accounting Pronouncements**

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures ("ASU 2023-09"), which is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in ASU 2023-09 provide for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for the Company prospectively to all annual periods beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact this update will have on our consolidated financial statements and disclosures.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which require public companies disclose significant segment expenses and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. The guidance is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance is applied retrospectively to all periods presented in the financial statements, unless it is impracticable. We are currently evaluating the impact this update will have on our consolidated financial statements and disclosures.

We have evaluated all other recently issued, but not yet effective, accounting pronouncements and do not believe that these accounting pronouncements will have any material impact on our consolidated financial statements or disclosures upon adoption.

### **NOTE 3 - GOING CONCERN**

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As reflected in the accompanying financial statements, the Company has an accumulated deficit of \$29,777,850 from

inception to September 30, 2024. Its ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to address the going concern issue by funding future operations through revenues, the sale of equity capital and by loans, if needed.

The Company is changing its business operations and anticipates that it will be able to have profitable operations in the near future. The Company believes its current available cash, along with anticipated revenues, will be sufficient to meet its cash needs for the near future. There can be no assurance that future financing will be available in amount for terms acceptable to the Company, if at all.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue its operations is dependent on Management's plans, which include expanding the new business of Growth Goods, Inc., Kinzie, Pure Oil & Gas Inc. and Gen 7 Health, Inc., the raising of capital through debt and/or equity markets with some additional funding from other traditional financing sources, including term notes, until such time that funds provided by operations are sufficient to fund working capital requirements.

The Company may need to incur additional liabilities with certain related parties to sustain the Company's existence.

These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

#### **NOTE 4 – PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consist of the following:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Vehicles	\$ 117,942	\$ -
Computer equipment	3,598	-
Total property and equipment	121,540	-
Accumulated depreciation	(92,488)	-
Total property and equipment	<u>\$ 29,052</u>	<u>\$ -</u>

During the nine months ended September 30, 2024 and 2023, the depreciation expense was \$11,253 and \$0, respectively.

#### **NOTE 5 – CONVERTIBLE NOTES PAYABLE**

As of September 30, 2024 and December 31, 2023, the Company had convertible notes payable of \$605,000 and \$930,249, and a debt discount of \$273,657 and \$604,300, for a net carrying amount of \$331,343 and \$325,949, respectively.

The terms of the convertible notes are summarized as follows:

- Loan Expiry Term of two years
- Weighted Average Remaining Term ranged from 0.57 to 1.95 years
- Annual Interest Rate ranged from 8% to 10% per annum
- Convertible at 80% of the average 10-day trading price prior to date of conversion

During the nine months ended June 30, 2024 and 2023, the Company issued convertible notes for aggregate principal amount of \$1,417,500 and \$820,000 for cash proceeds of \$1,417,500 and \$820,000, respectively.

During the nine months ended September 30, 2024 and 2023, the Company issued 47,034,877 shares and 2,800,000 shares of common stock for note conversion of \$1,653,900 and \$2,800, respectively. The corresponding derivative liability at the date of conversion of \$888,029 and \$224,000 was credited to additional paid in capital, respectively.

During the nine months ended September 30, 2024, the Company made \$148,000 repayment to buy out \$88,849 principal balance and \$27,139 accrued interest of convertible notes from two noteholders, resulting in a loss on settlement of debts of \$32,012.

During the nine months ended September 30, 2024 and 2023, the Company incurred amortization of note discount of \$236,049 and \$128,806, respectively.

During the nine months ended September 30, 2024 and 2023, the Company accrued interest expense of \$54,550 and \$33,945 and repaid accrued interest of \$78,190 and \$14,250, respectively. As of September 30, 2024 and December 31, 2023, the accrued interest was \$44,142 and \$67,782, respectively.

## NOTE 6 - DERIVATIVE LIABILITY

The Company analyzed the conversion options for derivative accounting consideration under ASC 815, Derivatives and Hedging, and determined that the instrument should be classified as a liability when the conversion option becomes effective at issuance resulting in there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options.

The Company determined its derivative liabilities to be a Level 3 fair value measurement and used the Black-Scholes pricing model to calculate the fair value as of September 30, 2024. The Black-Scholes model requires six basic data inputs: the exercise or strike price, time to expiration, the risk-free interest rate, the current stock price, the estimated volatility of the stock price in the future, and the dividend rate. Changes to these inputs could produce a significantly higher or lower fair value measurement.

The following table summarizes the derivative liabilities included in the balance sheet at September 30, 2024:

Balance - December 31, 2023	\$	4,484,123
Addition of new derivative liability upon issuance of convertible notes as debt discount		521,903
Addition of new derivative liability upon issuance of convertible notes as day 1 loss		71,889
Reduction of derivative liability from conversion of convertible notes		(888,029)
Reduction of derivative liability from repayment of convertible notes		(3,119,080)
Gain on change in fair value of the derivative		(668,162)
Balance – September 30, 2024	\$	<u>402,644</u>

The following table summarizes the loss (gain) on derivative liability included in the income statement for the nine months ended September 30, 2024 and 2023, respectively.

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	<b>September 30,</b>
	<b>2024</b>	<b>2023</b>
Day one loss due to derivative liabilities on convertible notes	\$ 71,889	\$ 4,434,192
Loss (Gain) on change in fair value of derivative liabilities on convertible notes	(668,162)	759,738

Loss (Gain) on change in fair value of derivative liabilities	\$ (596,273)	\$ 5,193,930
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The table below shows the Black-Scholes option-pricing model inputs used by the Company to value the derivative liability for convertible notes at each measurement date:

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Expected term	0.57 to 1.95 years	Due on demand to 1.67 years
Expected average volatility	125% - 220%	200% - 217%
Expected dividend yield	-	-
Risk-free interest rate	3.98% - 5.09%	3.86% - 5.03%

#### NOTE 7 – NOTES PAYABLE – RELATED PARTY

As of September 30, 2024 and December 31, 2023, the note payable to related parties was \$6,725,000 and \$0, respectively.

On February 19, 2024, the Company issued a promissory note to the former President of the Company at \$1,750,000 as partial consideration for the repurchase of 5,000,000 shares of Series B Preferred Stock. The promissory note bears annual interest rate of 5% and has a maturity term of two years. During the nine months ended September 30, 2024, the former President of the Company agreed to buy out \$50,000 of loan due from Shibue in exchange for reduction of the promissory note of \$50,000. As of September 30, 2024, the promissory note payable was \$1,700,000.

On March 15, 2024, the Company issued a promissory note to the CCO of the Company at \$1,250,000 for the repurchase of 2,500,000 shares of Series B Preferred Stock. The promissory note bears annual interest rate of 5% and has a maturity term of three years. Through June 30, 2024, the Company has repaid \$75,000. As of September 30, 2024, the promissory note payable was \$1,175,000. During the nine months ended September 30, 2024, the Company made repayment on accrued interest of \$30,126.

On May 31, 2024, the Company issued a promissory note to the CCO of the Company at \$1,900,000 as part of the consideration for the acquisition of Kinzie LLC. The promissory note bears annual interest rate of 8% and has a maturity term of three years. The promissory note shall be amortized into thirty-six (36) equal monthly installments of \$59,639, which includes interest at the rate of 8%.

On May 31, 2024, the Company issued a promissory note to a related party of the Company at \$1,900,000 as part of the consideration for the acquisition of Kinzie LLC. The promissory note bears annual interest rate of 8% and has a maturity term of three years. The promissory note shall be amortized into thirty-six (36) equal monthly installments of \$59,639, which includes interest at the rate of 8%.

During the nine months ended September 30, 2024, the Company accrued interest expense of \$189,637 and made repayment of accrued interest of \$30,126. As of September 30, 2024, accrued interest was \$159,510.

#### NOTE 8 – NOTE PAYABLE

On February 13, 2023, the Company entered into a promissory note with an unaffiliated party in the amount of \$10,000 with one year term and an interest rate of 8% per annum. As of September 30, 2024 and December 31, 2023, the accrued interest was \$1,322 and \$713, respectively.

On February 14, 2023, the Company entered into a promissory note with an unaffiliated party in the amount of \$10,000 with one year term and an interest rate of 8% per annum. As of September 30, 2024 and December 31, 2023, the accrued interest was \$1,320 and \$711, respectively.

#### NOTE 9 – MEZZANINE AND STOCKHOLDERS' EQUITY

The Company has authorized shares of common stock of 900,000,000 shares, par value of \$0.001, and authorized shares of preferred stock to 100,000,000 shares, par value of \$0.001.

### **Preferred Stock – Mezzanine Equity**

#### Series D Preferred Stock

The Company has designated 2,500,000 preferred shares, par value of \$0.001, as Series D Preferred Stock with each share convertible into \$1.00 of common stock of the Company.

The Company determined that the Series D Preferred Stock should be classified as Mezzanine Equity (temporary equity outside of permanent equity), that the Series D Preferred Stock more closely aligned with debt as the stock has fixed value of \$1 per share or \$2,500,000 in total, either redeemable at the company's option for cash of \$1 per share or converted by the shareholder's option at a conversion value of \$1 per share of equivalent common stock.

On April 1, 2022, the Company issued an aggregate of 2,500,000 shares of its Series D Preferred Stock at a deemed value of \$2,500,000 to Shibue Couture, Inc. for investment. During the year ended December 31, 2023, the investment in Shibue was fully impaired and expensed as impairment loss on equity investment in the statement of operations.

On July 8, 2024, the Company entered into a rescission agreement with Shibue Couture, Inc. for unwinding and rescinding the original share exchange transaction entered on April 30, 2022. Shibue's shareholders returned 2,500,000 shares of Series D preferred stock to the Company which returned Shibue's 100% issued and outstanding common stock of 2,500,000 shares back to Shibue.

### **Preferred Stock - Equity**

#### Series A Preferred Stock

The Company has designated 10,000,000 preferred shares, par value of \$0.001, as Series A Preferred Stock with preferred voting rights equal to 500 votes for each 1 preferred share. As of September 30, 2024 and December 31, 2023, 5,000,000 shares of Series A Preferred Stock were issued and outstanding.

#### Series B Preferred Stock

The Company has designated 15,000,000 preferred shares, par value of \$0.001, as Series B Preferred Stock with conversion rights of 10 shares of common stock for each share of Series B Preferred Stock.

Effective April 1, 2022, the Company issued 10,000,000 shares of its Series B Preferred Stock to the President of the Company valued at \$4,302,404 and 5,000,000 shares of its Series B Preferred Stock to the COO of the Company valued at \$2,151,202.

On March 15, 2024, the Company issued a promissory note to the former President of the Company at \$1,750,000 and issued 6,000,000 shares of Series J of Convertible Preferred for the repurchase of 5,000,000 shares of Series B Preferred Stock.

On March 15, 2024, the Company issued a promissory note to CCO of the Company at \$1,250,000 for the repurchase of 2,500,000 shares of Series B Preferred Stock.

As of September 30, 2024 and December 31, 2023, 7,500,000 shares and 15,000,000 shares of Series B Preferred Stock were issued and outstanding, respectively.

#### Series E Preferred Stock

The Company has designated 10,000,000 preferred shares, par value of \$0.001, as Series E Preferred Stock with conversion rights of 10 shares of common stock for each share of Series E Preferred Stock.

On April 18, 2022, the Company issued 5,000,000 shares of its Series E Preferred Stock to Vice-President-Director of Internet Sales valued at \$2,503,737 and 5,000,000 shares of its Series E Preferred Stock to Vice-President-Director of Marketing valued at \$2,503,737.

As of September 30, 2024 and December 31, 2023, 10,000,000 shares of Series E Preferred Stock were issued and outstanding.

#### Series G Preferred Stock

The Company has designated 30,000,000 preferred shares, par value of \$0.001, as Series G Preferred Stock with each twenty-five shares convertible into \$1.00 of common stock of the Company based upon 80% of the average of the 10-day closing bid price prior to the date of conversion.

On September 29, 2022, the Company issued 1,250,000 shares of its Series G Preferred Stock to an unaffiliated party for cash proceeds of \$50,000.

As of September 30, 2024 and December 31, 2023, 1,250,000 shares of Series G Preferred Stock were issued and outstanding.

#### Series H Preferred Stock

The Company has designated 1,000,000 preferred shares, par value of \$0.001, as Series H Preferred Stock with conversion rights of 10 shares of common stock for each share of Series H Preferred Stock.

On December 31, 2022, the Company issued 1,000,000 shares of its Series H Preferred Stock to ICS Energy LLC, an unaffiliated party for oil and gas exploration service valued at \$419,212.

As of September 30, 2024 and December 31, 2023, 1,000,000 shares of Series H Preferred Stock were issued and outstanding.

#### Series I Preferred Stock

The Company has designated 10,000,000 preferred shares, par value of \$0.001, as Series I Preferred Stock with each twenty-five shares convertible into \$1.00 of common stock of the Company based upon 80% of the average of the 10-day closing bid price prior to the date of conversion.

On February 1, 2023, the Company issued four (4) units of series I preferred stock and warrants, to an unaffiliated party for cash proceeds of \$20,000. Each unit comprises of 40,000 shares of series I preferred stock and 40,000 warrants. Each warrant allows the holder to purchase one share of common stock exercisable in two years at \$0.75 per share.

As of September 30, 2024 and December 31, 2023, 40,000 shares of Series I Preferred Stock were issued and outstanding, respectively.

#### Series J Preferred Stock

The Company has designated 6,000,000 preferred shares, par value of \$0.001, as Series J Preferred Stock with each share convertible into one share of common stock of the Company.

On March 15, 2024, the Company issued 6,000,000 shares of Series J of Convertible Preferred to the former President of the Company as part of the consideration for the repurchase of 5,000,000 shares of Series B Preferred Stock.

As of September 30, 2024 and December 31, 2023, 6,000,000 shares and 0 shares of Series J Preferred Stock were issued and outstanding, respectively.

#### **Common Stock**

#### Nine Months Ended September 30, 2024

During the nine months ended September 30, 2024, the Company issued 47,034,877 shares of common stock for note conversion of \$1,653,900.

#### Nine Months Ended September 30, 2023

During the nine months ended September 30, 2023, pursuant to a court order, 86,225,000 shares of common shares from shareholders were cancelled.

During the nine months ended September 30, 2023, the Company issued 1,250,000 shares of common stock to an investor for cash proceed of \$25,000.

During the nine months ended September 30, 2023, the Company issued 1,000,000 shares of common stock to Prestige Marketing Consultants Inc. valued at \$40,000 for services and 4,800,000 shares of common stock to unaffiliates valued at \$369,000 for services.

During the nine months ended September 30, 2023, the Company issued 2,800,000 shares of common stock for note conversion of \$2,800.

During the nine months ended September 30, 2023, the Company issued 1,200,000 shares of common stock at \$0.058 per share to acquire an additional 40% interest in the marketing company. As of September 30, 2023, the Company holds 70% interest in Prestige Marketing Consultants, Inc.

As of September 30, 2024 and December 31, 2023, the Company had 151,355,536 and 104,320,659 shares of common stock issued and outstanding, respectively.

#### **Common Stock Payable**

On August 8, 2022, the Company received proceeds of \$7,500 from stock subscription of 250,000 shares of common stock.

On November 15, 2022, the Company received proceeds of \$25,000 from stock subscription of 1,250,000 shares of common stock.

On March 27, 2024, the Company is required to issue 2,500,000 shares of common stock, to related parties, valued at \$100,000 as consideration for acquisition 10% additional interest in Ingenious Roasters, LLC.

On May 31, 2024, the Company is required to issue 4,000,000 shares of common stock, to related parties, valued at \$220,800 as part of the consideration for the acquisition of Kinzie LLC.

As of September 30, 2024 and December 31, 2023, the stock payable was \$353,300 and \$32,500 and 8,000,000 and 1,500,000 shares of common stock, respectively.

#### **Warrant**

During the year ended December 31, 2023, the Company granted warrants to purchase up to 40,000 shares of common stock exercisable in two years at \$0.75 per share.

The intrinsic value of the warrants as of September 30, 2024 is \$0. All of the outstanding warrants are exercisable and have weighted average remaining life of 0.34 year as of September 30, 2024.

#### **NOTE 10 – RELATED PARTY TRANSACTIONS**

##### **Amount due to related parties**

During the nine months ended September 30, 2024, the Company accrued January 1, 2024 to February 19, 2024 management salary of \$40,517 to the former President of the Company. On February 19, 2024, the accrued management salary payable and outstanding payable of \$523,681 was forgiven. As of September 30, 2024 and December 31, 2023, the amount due to the former President of the Company was \$0 and \$483,164, respectively.

During the nine months ended September 30, 2024 and 2023, the Company made consulting fees payment of \$0 and \$56,675 respectively to Financial Capital Group, LLC. and Aim Financial Group, LLC for which the former President of the Company serving as the general partner.

During the nine months ended September 30, 2024, the Company accrued January 1, 2024 to March 15, 2024 management salary of \$37,500 to the Chief Compliance Officer (“CCO”) of the Company. On March 15, 2024, the accrued management salary payable and outstanding payable of \$334,500 was forgiven. As of September 30, 2024 and December 31, 2023, the amount due to the CCO of the Company was \$0 and \$297,000, respectively. During the nine months ended September 30, 2024 and 2023, the Company made \$65,000 and \$0 consulting and legal fee payment to the CCO, respectively.

During the nine months ended September 30, 2024 and 2023, the President of the Company made \$5,239 and \$0 advancement to the Company, respectively. As of September 30, 2024 and December 31, 2023, the amount due to the President of the Company was \$5,239 and \$0, respectively.

During the nine months ended September 30, 2024, the amount due to the VP Director of Internet Sales of \$50 was forgiven. As of September 30, 2024 and December 31, 2023, the amount due to the VP Director of the Company was \$0 and \$50, respectively. During the nine months ended September 30, 2024 and 2023, the Company made \$24,000 and \$0 consulting fee payment to the VP Director, respectively.

During the nine months ended September 30, 2024 and 2023, the Company made consulting fee payment of \$142,750 and \$0 respectively to JCG, LLC, which was appointed as new officers and director of the Company on February 19, 2024.

During the nine months ended September 30, 2024, Kinize LLC wrote off property and equipment of \$388,822 and investment of \$38,940 that belong to the President of the Company. Note receivable of \$25,000 and note payable of \$415,168 were also forgiven as per agreement with the Company.

During the nine months ended September 30, 2024, note receivable from the former Director of SITS in Kinzie LLC of \$25,000 was also forgiven.

As of September 30, 2024 and December 31, 2023, the amount due to related parties was \$5,239 and \$780,214, respectively.

#### **Amount due from related party**

During the nine months ended September 30, 2024, repayment of \$143,000 was advanced from Shibue Couture, Inc.. During the nine months ended September 30, 2024, in pursuant to the addendum to rescission agreement signed on July 8, 2024, the former President of the Company bought out \$50,000 of loan due from Shibue in exchange for \$50,000 promissory note issued to him on February 19, 2024. As of September 30, 2024, the amount due from Shibue was fully repaid.

#### **NOTE 11 – ACQUISITION**

##### Kinzie

Effective May 31, 2024, the Company consummated the purchase of 80% of the interests of Kinzie LLC., (“Kinzie”) from two sellers who own 95% of Kinzie interest. One of sellers is the Company’s Treasurer and a director.

The purchase price (the “Purchase Price”) payable to the Sellers for the shares is \$4,220,800. Upon the execution of the Purchase Agreement, we agreed to pay \$200,000 in cash, \$3,800,000 in promissory note, and 4,000,000 common shares. The promissory note shall be amortized into thirty-six (36) equal monthly installments of \$59,639, which includes interest at the rate of 8%. In addition, the cash purchase price shall be adjusted based upon the increase or decrease in gross revenues during the first 12 months following May 31, 2024.

The acquisition was closed on May 31, 2024. Kinzie has been included in our consolidated results of operations since the acquisition date.

The following table summarizes the fair value of the consideration paid by the Company:

Fair Value of Consideration:		<b>May 31, 2024</b>
Cash	\$	200,000
Promissory note		3,800,000
Common stock		220,800
Total Purchase Price	\$	4,220,800

The following table summarizes the preliminary identifiable assets acquired and liabilities assumed upon acquisition of Kinzie and the calculation of goodwill:

<b>Total purchase price</b>	<b>\$</b>	<b>4,220,800</b>
Cash		138,604
Inventory		167,339
Due from related party		134,887
Property and equipment		409,641
Other assets		39,984
Total identifiable assets		890,455
Accrued liabilities		(232,531)
Loans payable		(482,886)
Total liabilities assumed		(715,417)
<b>Net assets</b>		<b>175,038</b>
Non-controlling interest - 20%		35,008
Total net assets		140,030
<b>Goodwill</b>	<b>\$</b>	<b>4,080,770</b>

## NOTE 12 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events from October 1, 2024 through the date these financial statements were originally issued and determined the following events require disclosure:

The Company issued convertible notes to non-affiliates for aggregate amount of \$115,000 for cash proceeds of \$115,000. The notes bear interest at 10% per annum, are payable two years from issuance, and are convertible at 80% of the average 10-day trading price prior to date of conversion.

The Company issued 3,898,579 shares of common stock upon conversion by note holders of \$135,000 of debt.