

**Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**  
**Spirits Capital Corporation**

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7389

**Quarterly Report**

**For the period ending June 30, 2024**  
**(the “Reporting Period”)**

**Outstanding Shares**

The number of shares outstanding of our Common Stock was:

117,180,520 as of August 9, 2024

104,802,520 as of June 30, 2024

102,595,020 as of December 31, 2023

**Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

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

Yes:  No:

**Change in Control**

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

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

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

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<sup>1</sup> “Change in Control” shall mean any events resulting in:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Spirits Capital Corporation - Effective April 29, 2021

Capital Beverage Corporation

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

December 5, 1995 – Delaware (active)

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

None

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

None

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

100 Bayview Circle, Suite 4100, Newport Beach, CA 92660

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

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

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

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

N/A

## 2) Security Information

### Transfer Agent

Name: Continental Stock Transfer & Trust Company

Phone: 212-509-4000

Email: cstmail@continentalstock.com

Address: 1 State Street Plaza, 30th Floor, New York, NY 10004

### Publicly Quoted or Traded Securities:

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:	<u>SSCC</u>
Exact title and class of securities outstanding:	<u>Common Stock</u>
CUSIP:	<u>84861E101</u>
Par or stated value:	<u>\$0.0001</u>

Total shares authorized:	<u>500,000,000</u>	as of date: <u>June 30, 2024</u>
Total shares outstanding:	<u>104,802,520</u>	as of date: <u>June 30, 2024</u>

Number of shares in the Public Float<sup>2</sup>: 1,644 as of date: June 30, 2024  
Total number of shareholders of record: 166 as of date: June 30, 2024

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

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

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

Exact title and class of the security: Preferred Stock  
CUSIP (if applicable): N/A  
Par or stated value: \$0.0001  
Total shares authorized: 1,000,000 as of date: June 30, 2024  
Total shares outstanding (if applicable): 0 as of date: June 30, 2024  
Total number of shareholders of record (if applicable): 0 as of date: June 30, 2024

**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.**

None

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

None

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

None

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

**3) Issuance History**

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

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

**A. Changes to the Number of Outstanding Shares**

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

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
Opening Balance									
Date <u>12/31/2021</u> Common: <u>61,676,320</u>									
Preferred: <u>0</u>									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>1/14/2022</u>	New Issuance	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Patrick Flynn</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>1/31/2022</u>	New Issuance	<u>275,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Michael &amp; Jacqueline Emmers</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>2/16/2022</u>	New Issuance	<u>1,500,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Mike Weydemuller</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>2/17/2022</u>	New Issuance	<u>250,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Vista Azul Asset Mgmt (Wayne Ake)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>2/28/2022</u>	New Issuance	<u>3,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Linda Boyd Jones</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>3/7/2022</u>	New Issuance	<u>1,000,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Cort St. George</u>	<u>Share Subscription</u>	<u>Restricted</u>	

<u>3/22/2022</u>	New Issuance	<u>22,500,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>Yes</u>	<u>Green Capital Management Limited (Frank Dominick)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/22/2022</u>	New Issuance	<u>10,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Green Capital Management Limited (Frank Dominick)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/28/2022</u>	New Issuance	<u>4,500,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>Yes</u>	<u>Seyemoham madreza Hashemifesh araki</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/28/2022</u>	New Issuance	<u>1,000,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Frank J. Longo</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/28/2022</u>	New Issuance	<u>2,500</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Linda Boyd Jones</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>3/31/2022</u>	New Issuance	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Carmel, Milazzo &amp; Feil LLP (Timothy Feil)</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>4/4/2022</u>	New Issuance	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>James Amoroso</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/18/2022</u>	New Issuance	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>David Zweig</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/21/2022</u>	New Issuance	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Jeh 485 Trust (Eli Haft)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/17/2022</u>	New Issuance	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Patrick Flynn</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>5/31/2022</u>	New Issuance	<u>1,800</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Linda Boyd Jones</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>6/1/2022</u>	New Issuance	<u>154,500</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Mike Weydemuller</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>6/1/2022</u>	New Issuance	<u>10,600</u>	<u>Common</u>	<u>\$0.0001</u>	<u>Yes</u>	<u>Mike Weydemuller</u>	<u>Consulting Services</u>	<u>Restricted</u>	

<u>6/13/2022</u>	New Issuance	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Crown Dragon Asset Mgmt Trust (Richard Howard)</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>6/29/2022</u>	New Issuance	<u>100,000</u>	<u>Common</u>	<u>\$0.000</u> <u>1</u>	<u>Yes</u>	<u>Dzung Chantepie</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>6/29/2022</u>	New Issuance	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Mary Tanguma</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>6/29/2022</u>	New Issuance	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Diana and David Selecky</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>6/29/2022</u>	New Issuance	<u>17,500</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Deborah and Rodolfo Campos</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>9/14/2022</u>	New Issuance	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>David Zweig</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>9/16/2022</u>	New Issuance	<u>150,000</u>	<u>Common</u>	<u>\$0.000</u> <u>1</u>	<u>Yes</u>	<u>Exchange Listing LLC (Peter Goldstein)</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>9/22/2022</u>	New Issuance	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Jeh 485 Trust (Eli Haft)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>9/30/2022</u>	New Issuance	<u>12,500</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Deborah and Rodolfo Campos</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>9/30/2022</u>	New Issuance	<u>13,750</u>	<u>Common</u>	<u>\$0.000</u> <u>1</u>	<u>Yes</u>	<u>Mike Weydemuller</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>11/7/2022</u>	New Issuance	<u>200,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>David Zweig</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>12/5/2022</u>	New Issuance	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Glenda and Joseph Furlong</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>12/17/2022</u>	New Issuance	<u>750,000</u>	<u>Common</u>	<u>\$0.000</u> <u>1</u>	<u>Yes</u>	<u>Jonathan Wolf</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>12/31/2022</u>	New Issuance	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Mike Weydemuller</u>	<u>Consulting Services</u>	<u>Restricted</u>	

<u>1/10/2023</u>	New Issuance	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Patrizia Cobian</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>1/25/2023</u>	New Issuance	<u>65,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Legacy Mgmt Holdings Trust (Kristin Adams)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>2/3/2023</u>	New Issuance	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>YESS Trust (Seema Maheshwari)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>2/6/2023</u>	New Issuance	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Septenary Trust (Kevin Fatland)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>2/16/2023</u>	New Issuance	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Jesse Ferber</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>2/24/2023</u>	New Issuance	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Trinity Trust (Shari Williams)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/3/2023</u>	New Issuance	<u>75,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>PALS Legacy Trust (Nicolas A Villa Guillen)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/3/2023</u>	New Issuance	<u>75,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>ARRA Investment Trust (Ajay Pabby)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/3/2023</u>	New Issuance	<u>75,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Castell Kruger Trust (Miguel Castellanos)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/3/2023</u>	New Issuance	<u>75,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>YBAP Holdings Trust (Brittney Greer)</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>2/3/2023</u>	New Issuance	<u>175,000</u>	<u>Common</u>	<u>\$0.001</u>	<u>Yes</u>	<u>Edward Allen Fazio Family Trust (Edward Fazio)</u>	<u>Consulting Services</u>	<u>Restricted</u>	

<u>3/31/2023</u>	<u>New Issuance</u>	<u>49,000</u>	<u>Common</u>	<u>\$0.001</u>	<u>Yes</u>	<u>Mike Weydemuller</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>4/7/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Bubbie Zaide Trust, Larry Weprin, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/7/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Trinity Trust, Shari Lyn Williams, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/10/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Crown Dragon Asset Mngt Trust, Richard Howard, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/10/2023</u>	<u>New Issuance</u>	<u>35,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Legacy Management Holdings Trust, Kevin Adams, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/20/2023</u>	<u>New Issuance</u>	<u>300,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Sun &amp; Shield 84 11 Trust, Adam J. Ausloos, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/21/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>JW Inc. LTD</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Daily Path Trust, David K Severson, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Generous Life Trust, Kent F Willett, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	



<u>4/23/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>High Cotton Trust, David A Allison, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>High Road Trust, Garrett E Chappell, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Murphy Hendrix Trust, Jeffrey W King, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>The Hood Canal 4 Trust, Gregory J Wetterhus, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Lifewater Trust, William Darr, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Pactel Talent Trust, Paul E King, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Renalbert Trust, Brian E Handel, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Sport Clay Trust, Steve Lee Surber, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>TDF Trust, Jon-Claude LaFlamme, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/23/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Vaucluse Trust, Harlen</u>	<u>Share Subscription</u>	<u>Restricted</u>	

						<u>H Harless, Trustee</u>			
<u>4/24/2023</u>	<u>New Issuance</u>	<u>195,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Glenda Marie Furlong and Joseph Richard Furlong</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Seven Legacy Trust, Dr. Neal Agarwal</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>In Jesus Name, Amen Trust. - Karen Stanek, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>2,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Pedro Change</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Nathan Cha</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>12,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Jin Soo Kwon</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Youjun Zhu</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Top Tycoon Enterprises</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Septenary Trust, Kevin L. Fatland, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Luke Uyemura</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Sicilians Trust, Frank Taormani, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	

<u>4/25/2023</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Cliff Humphris &amp; Kristin Humphris</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/25/2023</u>	<u>New Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Brad Jacobsen</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/26/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Helen Harless</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/26/2023</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Annie Koonapareddy</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/1/2023</u>	<u>New Issuance</u>	<u>225,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>ARRA Investment Trust, Ajay Pabby, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/1/2023</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Tracie A. Farr</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/1/2023</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Lisa M. OBrien</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/1/2023</u>	<u>New Issuance</u>	<u>125,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Castell Krugar Trust, Miguel Enrique Ordonez Castellanos, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/1/2023</u>	<u>New Issuance</u>	<u>225,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>PALS Legacy Trust, Nicolas A Villa Guillen, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/2/2023</u>	<u>New Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Skylar &amp; Halie Peterson</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/3/2023</u>	<u>New Issuance</u>	<u>20,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Jonathan Dienhart</u>	<u>Share Subscription</u>	<u>Restricted</u>	

<u>5/3/2023</u>	<u>New Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Braden Campos</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/3/2023</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Jensen Campos</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/3/2023</u>	<u>New Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Deborah &amp; Rodolfo Campos</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/3/2023</u>	<u>New Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Mary Vicki Tanguma</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/10/2023</u>	<u>New Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Skylar &amp; Halie Peterson</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/24/2023</u>	<u>New Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Lisa M. OBrien</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>The Logos Trust, Timothy Shen, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Dream Family Trust, Jeffrey C. Bartlett, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Acorn Legacy Trust, Laurie S. Johnson, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>AMDG Legacy Trust, Erick Chamblee, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>MYBSWH Trust, David and Sook Lee, Trustees</u>	<u>Share Subscription</u>	<u>Restricted</u>	

<u>5/25/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>TLK Trust, Toby Klusmeyer, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Pink Shark Trust, Dustin Glendaly Cline, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>150,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>SMCW Trust, James F Walton III, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>TDF Trust, Jon-Claude LaFlamme, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Yak 'Em Up Financial LLC</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Agape Trust, Thomas J Birong, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/25/2023</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>CARD 27 Trust, Clifford A Doman, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>6/6/2023</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>David Zweig</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>8/10/2023</u>	<u>Cancellation</u>	<u>(25000)</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Helen Harless</u>	<u>Share Cancellation</u>	<u>Restricted</u>	
<u>9/28//2023</u>	<u>Cancellation</u>	<u>(100,000)</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>PALS Legacy Trust</u>	<u>Share Cancellation</u>	<u>Restricted</u>	

<u>9/28/2023</u>	<u>Cancellation</u>	<u>(100,000)</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>ARRA Investment Trust</u>	<u>Share Cancellation</u>	<u>Restricted</u>	
<u>9/28/2023</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Advantage Life Puerto Rico</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>9/28/2023</u>	<u>New Issuance</u>	<u>4,900</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Jonathan Chang</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>9/28/2023</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Braveheart Family Holdings Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>9/28/2023</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Sapphire Unlimited Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>9/28/2023</u>	<u>New Issuance</u>	<u>115,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Saitama Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>10/02/2023</u>	<u>New Issuance</u>	<u>1,242,150</u>	<u>Common</u>	<u>\$0.001</u>	<u>Yes</u>	<u>Michael Weydemuller</u>	<u>Employment Agreement</u>	<u>Restricted</u>	
<u>10/02/2023</u>	<u>New Issuance</u>	<u>555,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Aptus, Inc.</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>10/02/2023</u>	<u>New Issuance</u>	<u>165,000</u>	<u>Common</u>	<u>\$0.000 1</u>	<u>Yes</u>	<u>Sun &amp; Shield 84 11 Trust, Adam Ausloos, Trustee</u>	<u>Consulting Services</u>	<u>Restricted</u>	

<u>10/02/2023</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Steven Ennis</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>10/02/2023</u>	<u>New Issuance</u>	<u>7,500</u>	<u>Common</u>	<u>\$0.000</u> <u>1</u>	<u>Yes</u>	<u>Jonathan D. Thomas</u>	<u>Consulting Services</u>	<u>Restricted</u>	
<u>1/10/2024</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Septenary Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>2/23/2024</u>	<u>New Issuance</u>	<u>150,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Infinity Reserve Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/14/2024</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Sun &amp; Shield</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>3/22/2024</u>	<u>New Issuance</u>	<u>175,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>High Cotton Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/8/2024</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Infinity Reserve Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/10/2024</u>	<u>New Issuance</u>	<u>75,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Acorn Legacy Trust, Laurie S. Johnson, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/10/2024</u>	<u>New Issuance</u>	<u>650,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>SMCW Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/12/2024</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>LLP Holdings Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/18/2024</u>	<u>New Issuance</u>	<u>120,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Quest Trust Company</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>4/22/2024</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Natural Edge</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/2/2024</u>	<u>New Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Seven Legacy Trust, Dr. Neal Agarwal</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/13/2024</u>	<u>New Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>TLK Trust, Toby Klusmeyer, Trustee</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>5/16/2024</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Cascada Enterprises Holding Trust, Garri</u>	<u>Share Subscription</u>	<u>Restricted</u>	

						<u>Shihman, Trustee</u>			
<u>6/4/2024</u>	<u>New Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>The Logos Trust</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>6/4/2024</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Douglas Kent Thomas, Jr. and Carolina Baquero Thomas</u>	<u>Share Subscription</u>	<u>Restricted</u>	
<u>6/13/2024</u>	<u>New Issuance</u>	<u>12,500</u>	<u>Common</u>	<u>\$1.00</u>	<u>Yes</u>	<u>Kevin Carey</u>	<u>Share Subscription</u>	<u>Restricted</u>	
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u>									
Date <u>6/30/2024</u> Common: <u>104,802,520</u>									
Preferred: <u>0</u>									

#### 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. *You must disclose the control person(s) for any entities listed.</b>	<b>Reason for Issuance (e.g. Loan, Services, etc.)</b>
<u>9/1/22</u>	<u>315,000</u>	<u>315,000</u>	<u>0</u>	<u>9/2/2022</u>		<u>Vista Azul Asset Mgmt (Wayne Ake)</u>	<u>Loan</u>

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

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

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

Spirits Capital Corporation is a platform providing secured purchase of premium American Whiskey while maturing. The objectives of the company development was a vision to create an open, safe and secure marketplace for value hunters who want to capitalize on the strong and promising future of this spirit.



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

Spirits Global, Inc.

C. Describe the issuers' principal products or services.

Spirits Capital Corporation is a platform providing secured purchase of premium American Whiskey while maturing. The objectives of the company development was a vision to create an open, safe and secure marketplace for value hunters who want to capitalize on the strong and promising future of this spirit.

## 5) Issuer's Facilities

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

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

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

The Company currently leases 3,000 square feet of office space at 100 Bayview Circle, Suite 4100, Newport Beach, CA 92660. The lease expires on February 28, 2027.

## 6) Officers, Directors, and Control Persons

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

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

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Todd Sanders	Officer, Director, 5% Owner	Newport Beach, CA	43,131,000	Common	41.15%	
Seyemohammadrez a Hashemifesharaki	Officer	Playa del Rey, CA	4,500,000	Common	4.29%	
Green Capital Management Limited	5% Owner	Hong Kong	22,522,000	Common	21.49%	Frank Dominick
Peter Goldstein	5% Owner	Plantation, FL	5,504,000	Common	5.25%	

Tellson Ventures, LLC	5% Owner	Newport Beach, CA	6,503,900	Common	6.21%	Andrew Boyd-Jones
Michael Weydemuller	Officer	Long Beach, CA	2,960,000	Common	2.82%	

**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);

None

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;

None

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;

None

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

None

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.

None

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.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## 8) Third Party Service Providers

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

### Accountant or Auditor

Name: David Ritzert  
Firm: Urish Popeck & Co. LLC  
Address 1: Three Gateway Center, Suite 2400  
Address 2: Pittsburgh, PA 15222  
Phone: 412-391-1994  
Email: dritzert@urishpopeck.com

## 9) Disclosure & Financial Information

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

Name: Eric Sherb  
Title: Founder, EMS Consulting Services LLC  
Relationship to Issuer: Consultant

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)<sup>3</sup>:

Name: Eric Sherb  
Title: Founder, EMS Consulting Services LLC  
Relationship to Issuer: Consultant

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

Mr. Sherb provides accounting advisory and outsourced CFO services for startups and small companies with a focus on financial reporting, audit and IPO readiness, outsourced bookkeeping/controller functions.

## 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, Todd Sanders certify that:

1. I have reviewed this Disclosure Statement for Spirits Capital Corporation;

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<sup>3</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

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.

August 9, 2024

/s/ Todd Sanders

Chief Executive Officer

**SPIRITS CAPITAL CORPORATION**

**Index to the Consolidated Financial Statements**

**As of June 30, 2024 (unaudited) and December 31, 2023  
and for the Six Months Ended June 30, 2024 and 2023**

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<a href="#"><u>Consolidated Statements of Operations</u></a>	F-3
<a href="#"><u>Consolidated Statements of Changes in Stockholders' Equity</u></a>	F-4
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**SPIRITS CAPITAL CORPORATION**  
**Consolidated Balance Sheets**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
Current assets:		
Cash	\$ 768,882	\$ 2,057,843
Prepaid expenses	270,250	372,450
Inventory	2,281,204	516,802
Deposits	77,917	238,496
Total current assets	3,398,253	3,185,591
Right of use asset, operating lease	304,354	353,830
Property and equipment, net	47,679	55,185
Total assets	<b>\$ 3,750,286</b>	<b>\$ 3,594,606</b>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 904,134	\$ 409,882
Accrued liabilities	663,451	592,904
Derivative liability, warrants	61,201	66,307
Notes payable, net of discount of \$0 and \$4,618	315,000	310,382
Lease liability, operating lease-current	117,831	112,415
Total current liabilities	2,061,617	1,491,890
Lease liability, operating lease	222,433	282,562
Deed obligations	900,000	675,000
Total liabilities	3,184,050	2,449,452
Stockholders' equity :		
Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, no shares issued or outstanding as of both June 30, 2024 and December 31, 2023	-	-
Common stock, \$0.0001 par value; 500,000,000 shares authorized, 104,802,520 and 102,595,020 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	11,475	11,254
Additional paid-in capital	96,273,027	94,118,207
Accumulated deficit	(95,718,266)	(92,984,307)
Total stockholders' equity	566,236	1,145,154
Total liabilities and stockholders' equity	<b>\$ 3,750,286</b>	<b>\$ 3,594,606</b>

See accompanying notes to consolidated financial statements.

**SPIRITS CAPITAL CORPORATION**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
General and administrative expenses	759,072	664,148	1,184,983	788,471
Payroll and compensation	399,271	224,177	803,911	350,091
Professional fees	410,304	96,094	650,074	319,919
Stock based compensation expense	-	133,665	-	239,086
Total operating expenses	<u>1,568,647</u>	<u>1,118,084</u>	<u>2,638,968</u>	<u>1,697,567</u>
Operating loss	(1,568,647)	(1,118,084)	(2,638,968)	(1,697,567)
Other income (expense):				
Interest expense	(50,479)	70,782	(95,479)	31,082
Amortization of debt discount	-	(60,969)	(4,618)	(96,094)
Change in fair value of derivative liability, warrants	2,590	4,175	5,106	111,017
Total other income (expense)	<u>(47,889)</u>	<u>13,988</u>	<u>(94,991)</u>	<u>46,005</u>
Net loss	\$ (1,616,536)	\$ (1,104,096)	\$ (2,733,959)	\$ (1,651,562)
Net loss per common share - basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>
Weighted average common shares outstanding - basic and diluted	<u>104,454,608</u>	<u>97,853,822</u>	<u>103,671,655</u>	<u>96,419,034</u>

See accompanying notes to consolidated financial statements.

**SPIRITS CAPITAL CORPORATION**  
**Consolidated Statement of Changes in Stockholders' Equity (Deficit)**  
**For the Three Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	Preferred Stock		Common Stock		Common Stock Issuable	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2022 (Audited)</b>	-	\$ -	94,717,470	\$ 10,453	\$ -	\$ 86,270,357	\$ (87,393,202)	\$ (1,112,392)
Issuance of common stock for cash	-	-	4,314,000	445	133,700	4,221,030	-	4,355,175
Issuance of common stock for stock based compensation	-	-	224,000	22	-	223,803	-	223,825
Net loss	-	-	-	-	-	-	(1,651,562)	(1,651,562)
<b>Balance at June 30, 2023</b>	-	\$ -	<u>99,255,470</u>	<u>\$ 10,920</u>	<u>\$ 133,700</u>	<u>\$ 90,715,190</u>	<u>\$ (89,044,764)</u>	<u>\$ 1,815,046</u>
<b>Balance at December 31, 2023 (Audited)</b>	-	\$ -	102,595,020	\$ 11,254	\$ -	\$ 94,118,207	\$ (92,984,307)	\$ 1,145,154
Issuance of common stock for cash	-	-	725,000	73	-	724,927	-	725,000
Net loss	-	-	-	-	-	-	(1,117,423)	(1,117,423)
<b>Balance at March 31, 2024</b>	-	-	<u>103,320,020</u>	<u>11,327</u>	-	<u>94,843,134</u>	<u>(94,101,730)</u>	<u>752,731</u>
Issuance of common stock for cash	-	-	1,482,500	148	-	1,482,352	-	1,482,500
Offering costs	-	-	-	-	-	(52,459)	-	(52,459)
Net loss	-	-	-	-	-	-	(1,616,536)	(1,616,536)
<b>Balance at June 30, 2024</b>	-	\$ -	<u>104,802,520</u>	<u>\$ 11,475</u>	<u>\$ -</u>	<u>\$ 96,273,027</u>	<u>\$ (95,718,266)</u>	<u>\$ 566,236</u>

See accompanying notes to consolidated financial statements.



**SPIRITS CAPITAL CORPORATION**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	<b>Six Months Ended</b>	
	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (2,733,959)	\$ (1,651,562)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	-	223,825
Change in fair value of derivative liability, warrants	(5,106)	(111,017)
Depreciation and amortization	7,506	1,287
Amortization of right of use asset, operating lease	49,475	46,985
Amortization of debt discount	4,618	35,125
Changes in operating assets and liabilities:		
Prepaid expenses	102,200	(102,200)
Accounts payable	494,252	237,664
Inventory	(1,764,402)	(34,077)
Deposits	160,579	-
Accrued liabilities	70,547	(362,249)
Lease liability, operating lease	(54,713)	(50,302)
Net cash used in operating activities	(3,669,002)	(1,766,521)
<b>Cash flows from investing activities:</b>		
Deposits	-	(214,500)
Net cash used in investing activities	-	(214,500)
<b>Cash flows from financing activities:</b>		
Proceeds from notes payable	-	(27,780)
Proceeds from deed obligations	225,000	-
Proceeds from sale of common stock, net	2,207,500	4,355,175
Offering costs	(52,459)	-
Net cash provided by operating activities	2,380,041	4,327,395
<b>Net change in cash and cash equivalents</b>	(1,288,961)	2,346,374
Cash and cash equivalents at beginning of the year	2,057,843	397,440
Cash and cash equivalents at end of the year	\$ 768,882	\$ 2,743,814
<b>Supplemental Disclosure Of Cash Flow Information:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
<b>Supplemental Disclosure Of Non-Cash Financing Activities:</b>		
Stock issued for prepaid expense	\$ -	\$ -
Stock issued for settlement of notes payable	\$ -	\$ -

See accompanying notes to consolidated financial statements.

**SPIRITS CAPITAL CORPORATION**  
**Notes to the Consolidated Financial Statements**  
**For the Six Months ended June 30, 2024 and 2023**

**NOTE 1 – BASIS OF FINANCIAL STATEMENT PRESENTATION**

***Organization and Description of Business***

Capital Beverage Corporation (“Capital Beverage”) was incorporated under the laws of the State of Delaware on December 5, 1995. On December 30, 2019, Monogram Global Inc. a Delaware corporation (“Monogram”) and (the “Company”) merged with and into Capital Beverage Corporation. On April 29, 2021, the Company approved an amendment to change the name of the corporation to Spirits Capital Corporation.

Spirits Capital Corporation is a platform providing secured purchase of premium American Whiskey while maturing. The objectives of the company development was a vision to create an open, safe and secure marketplace for value hunters who want to capitalize on the strong and promising future of this spirit.

On December 30, 2019, Capital Beverage entered into a Share Exchange Agreement (the “Agreement” or the (“Merger”) involving Capital Beverage as the surviving parent corporation and acquiring a privately held Delaware corporation known as Monogram Global Inc. With the change of control of the Company, the Merger was accounted for as a recapitalization in a manner similar to a reverse acquisition.

On May 3, 2024, the Board of Directors approved the incorporation of the Delaware company Spirits Barrels, LLC, a wholly owned subsidiary, for the purpose of managing the investments in the whiskey barrels that are not backed by the Cask Investment Deed.

**NOTE 2 – GOING CONCERN**

As shown in the accompanying financial statements, the Company generated net losses of \$2,733,959 and \$1,651,562 during the six months ended June 30, 2024 and 2023, respectively. The Company did not generate any revenue from product sales during the six months ended June 30, 2024 and 2023. As of June 30, 2024, the Company’s current assets exceeded its current liabilities by \$1,336,636. As of June 30, 2024, the Company had \$768,882 of cash.

The Company will require additional funding during the next twelve months to finance the growth of its current operations and achieve its strategic objectives. These factors, as well as the uncertain conditions that the Company faces relative to capital raising activities, create substantial doubt as to the Company’s ability to continue as a going concern. The Company is seeking to raise additional capital principally through private placement offerings and is targeting strategic partners in an effort to finalize the development of its products and begin generating revenues. The ability of the Company to continue as a going concern is dependent upon the success of future capital offerings or alternative financing arrangements and expansion of its operations. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Management is actively pursuing additional sources of financing sufficient to generate enough cash flow to fund its operations through calendar year 2024. However, management cannot make any assurances that such financing will be secured.

**NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

***Basis of Presentation and Principles of Consolidation***

The Company’s consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The consolidated financial statements of the Company include the Company and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation. Our financial statements as of June 30, 2024 and 2023 include the accounts of Spirits Global, Inc., the Company’s wholly owned subsidiary.

### ***Use of Estimates***

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial condition, and revenues and expenses for the years then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate stock-based compensation, derivative liabilities, preferred deemed dividend and common stock issued for services.

### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with high credit quality financial institutions. The Company's account at this institution is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

### ***Accounts receivable and allowance for doubtful accounts***

The Company has a policy of reserving for questionable accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are offset against sales and relieved from accounts receivable, after all means of collection have been exhausted and the potential for recovery is considered remote. As of June 30, 2024 and 2023, there were no allowance for doubtful accounts.

### ***Property and Equipment***

Property and equipment are capitalized and depreciated over their estimated economic useful lives. Upon sale or other disposition of property and equipment, the cost and related accumulated depreciation or amortization are removed from the accounts and any gain or loss is included in the determination of income or loss.

### ***Impairment of Long-Lived Assets***

The Company reviews its long-lived assets (property and equipment) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value.

### ***Revenue Recognition***

The Company currently has no revenues from its operations. We anticipate that revenues from product sales, net of estimated returns and allowances, will be recognized when evidence of an arrangement is in place, related prices are fixed and determinable, contractual obligations have been satisfied, title and risk of loss have been transferred to the customer and collection of the resulting receivable is reasonably assured.

### ***Inventories***

Inventories are valued at the lower of cost or net realizable value. We value our inventories primarily using the first-in, first-out (FIFO) cost method. FIFO cost approximates current replacement cost. Because we age most of our whiskeys in barrels for three years or more, as of today we have not sold any of our inventory. Following industry practice, we classify all barrelled whiskey as a current asset. We include warehousing, insurance, ad valorem taxes, and other carrying charges applicable to barrelled whiskey in inventory costs.

### ***Concentration of Credit Risk***

The Company has no significant concentrations of credit risk.

### ***Related Parties***

The Company accounts for related party transactions in accordance with ASC 850 (“Related Party Disclosures”). A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

### ***Derivative Financial Instruments***

For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, the Company uses a lattice model, in accordance with ASC 815-15 “Derivative and Hedging” to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether net-cash settlement of the derivative instrument could be required within 12 months after the balance sheet date.

### ***Stock Based Compensation***

Stock-based compensation is accounted for based on the requirements of the Topic ASC 718, Share-Based Payment which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

### ***Beneficial Conversion Features***

The intrinsic value of a beneficial conversion feature inherent to a convertible note payable, which is not bifurcated and accounted for separately from the convertible note payable and may not be settled in cash upon conversion, is treated as a discount to the convertible note payable. This discount is amortized over the period from the date of issuance to the date the note is due using the effective interest method. If the note payable is retired prior to the end of its contractual term, the unamortized discount is expensed in the period of retirement to interest expense. In general, the beneficial conversion feature is measured by comparing the effective conversion price, after considering the relative fair value of detachable instruments included in the financing transaction, if any, to the fair value of the shares of common stock at the commitment date to be received upon conversion.

### ***Fair Value of Financial Instruments***

The Company measures its financial assets and liabilities in accordance with the requirements of FASB ASC 820, “Fair Value Measurements and Disclosures”. As defined in FASB ASC 820, the fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilized the market data of similar entities in its industry or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based on the observability of those inputs. FASB ASC 820 established a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement) as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.

Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date and includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.

The carrying values of the Company’s prepaid expenses, accounts payable and accrued liabilities approximate their fair values due to the short maturity of these instruments. The Company believes the carrying amount of its notes payable and other long-term liabilities approximate fair value based on rates and other terms currently available to the Company for similar debt instruments. See Note 7 for fair value disclosure of derivative liability.

### ***Net Loss per Share***

Net earnings or loss per share is computed by dividing net income or loss by the weighted-average number of common shares outstanding during the period, excluding shares subject to redemption or forfeiture. The Company presents basic and diluted net earnings or loss per share. Diluted net earnings or loss per share reflect the actual weighted average of common shares issued and outstanding during the period, adjusted for potentially dilutive securities outstanding. Potentially dilutive securities are excluded from the computation of the diluted net loss per share if their inclusion would be anti-dilutive. As all potentially dilutive securities are anti-dilutive as of June 30, 2024, diluted net loss per share is the same as basic net loss per share. Anti-dilutive items outstanding as of June 30, 2024 include 706,750 common stock warrants.

### ***Leases***

Effective January 1, 2019, the Company accounts for its leases under ASC 842, *Leases*. Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases, and are recorded on the consolidated balance sheet as both a right of use asset and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company’s incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the right of use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right of use asset result in straight-line rent expense over the lease term. For finance leases, interest on the lease liability and the amortization of the right of use asset results in front-loaded expense over the lease term. Variable lease expenses are recorded when incurred.

In calculating the right of use asset and lease liability, the Company has elected to combine lease and non-lease components. The Company excludes short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy election, and recognizes rent expense on a straight-line basis over the lease term.

### ***Recently Issued Accounting Pronouncements***

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASC 326”). This amendment requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and forward-looking estimates. ASC 326 was adopted by the Company effective January 1, 2023. The adoption of ASC 326 did not have a material impact on the Company’s financial statements or disclosures.

Although there are several other new accounting pronouncements issued or proposed by the FASB, which the Company has adopted or will adopt, as applicable, the Company does not believe any of these accounting pronouncements has had or will have a material impact on its financial position or results of operations.

#### NOTE 4 – INVENTORY

Inventory consists of:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Whiskey - newly filled barrels	\$ 2,281,204	\$ 516,802
Reserve for obsolescence	-	-
Inventory, net	<u>\$ 2,281,204</u>	<u>\$ 516,802</u>

#### NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Computer equipment	\$ 4,117	\$ 4,117
Furniture and equipment	38,778	38,778
Leasehold improvements	<u>35,294</u>	<u>35,294</u>
	78,189	78,189
Less: Accumulated depreciation	<u>(30,510)</u>	<u>(23,004)</u>
Property and equipment, net	<u>\$ 47,679</u>	<u>\$ 55,185</u>

Depreciation expense for property and equipment for the six months ended June 30, 2024 and 2023, was in the amount of \$7,506 and \$5,405, respectively.

#### NOTE 6 – NOTES PAYABLE

As of June 30, 2024 and December 31, 2023, respectively, there were \$315,000 and \$310,382 of promissory notes outstanding, net of debt discount of \$0, and \$4,618. As of June 30, 2024 and December 31, 2023 accrued interest on the notes was \$ 91,625 and \$52,250, respectively. As of June 30, 2024, the note was in default.

During the six months ended June 30, 2024, the Company made repayments in aggregate of \$0 of the notes payable.

#### NOTE 7 – OTHER LONG TERM LIABILITIES, DEEDS

##### *Deed liabilities*

As of June 30, 2024 and December 31, 2023, there were \$700,000 and \$675,000 of Deeds outstanding, respectively. During the six months ended June 30, 2024, the Company received \$25,000 pursuant to a new Deed. As of June 30, 2024 and December 31, 2023, there was accrued interest of \$225,000 and \$174,375 related to the Deeds, respectively, which is included in accrued liabilities on the consolidated balance sheets.

##### *Cask Deed liabilities*

Spirits Global issued a Secured Cask Deed Obligation on March 1, 2024 for \$200,000, comprising of 100 cask deeds. This obligation accrues 12.50% annual interest and is exempt from SEC and state registration. Transfer is restricted unless registered or exempt, with prepayment allowed after one year without penalty.

As of June 30, 2024 and December 31, 2023, there were \$200,000 and \$0 of Deeds outstanding, respectively. As of June 30, 2024 December 31, 2023, there was accrued interest of \$5,479 and \$0 related to the Deeds, respectively, which is included in accrued liabilities on the consolidated balance sheets.

## NOTE 8 – DERIVATIVE LIABILITY, WARRANTS

The Company recorded a derivative liability based on the conversion features of its underlying common stock warrants. The derivative liability is a Level 3 financial instrument. The following is a summary of activity of the derivative liability for the six months ended June 30, 2024:

	<b>Derivative Liability</b>
Balance at December 31, 2023	\$ 66,307
Change in fair value	(5,106)
Balance at June 30, 2024	<u>\$ 61,201</u>

The Company used the following assumptions for determining the fair value of the convertible instruments granted under the Black-Scholes option pricing model:

	<b>June 30, 2024</b>
Expected volatility	25%
Expected term - years	1.47-3.47
Risk-free interest rate	3.81%
Expected dividend yield	0%

## NOTE 9 - ACCOUNTS PAYABLE AND ACCRUED OTHER LIABILITIES

Accounts payable and accrued other liabilities consisted of the following:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Accounts payable	\$ 904,134	\$ 409,882
Accrued salaries	336,817	347,694
Accrued interest	322,104	226,625
Accrued liabilities, other	4,530	18,585
Accounts payable and accrued liabilities	<u>\$ 1,567,585</u>	<u>\$ 1,002,786</u>

## NOTE 10 – STOCKHOLDERS' EQUITY

### *Capital Structure*

The authorized capital of the Company consists of 500,000,000 shares of common stock and 1,000,000 shares of preferred stock, both par value \$0.0001 per share.

### *Preferred Stock*

As of June 30, 2024 and 2023, there were no preferred shares issued and outstanding for all classes.

### *Common Stock*

As of June 30, 2024 and 2023, there were 104,802,520 and 102,595,020 shares of common stock issued and outstanding, respectively.

## *2024 Transactions*

On January 19, 2024, the Company's Board of Directors approved, and the Company entered into a Securities Purchase Agreement where the Company issued 200,000 shares of common stock for \$200,000.

On February 23, 2024, the Company's Board of Directors approved, and the Company entered into a Securities Purchase Agreement where the Company issued 150,000 shares of common stock for \$150,000.

On March 21, 2024, the Company's Board of Directors approved, and the Company entered into Securities Purchase Agreements where the Company issued 200,000 shares of common stock for \$200,000.

On March 26, 2024, the Company's Board of Directors approved, and the Company entered into an Advisory Agreement where the Company issued 175,000 shares of common stock, valued at \$175,000.

On April 8, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 75,000 shares of common stock, valued at \$75,000.

On April 10, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 650,000 shares of common stock, valued at \$650,000.

On April 10, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 75,000 shares of common stock, valued at \$75,000.

On April 12, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 100,000 shares of common stock, valued at \$100,000.

On April 18, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 120,000 shares of common stock, valued at \$120,000.

On April 22, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 25,000 shares of common stock, valued at \$25,000.

On May 2, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 100,000 shares of common stock, valued at \$100,000.

On May 13, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 200,000 shares of common stock, valued at \$200,000.

On May 16, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 50,000 shares of common stock, valued at \$50,000.

On June 4, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 25,000 shares of common stock, valued at \$25,000.

On June 4, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 50,000 shares of common stock, valued at \$50,000.

On June 13, 2024, the Company's Board of Directors approved, and the Company entered into a securities purchase agreement where the Company issued 12,500 shares of common stock, valued at \$12,500.

During the six months ended June 30, 2024, the Company incurred \$52,459 in offering costs.



## ***Warrants***

On September 1, 2022, the Company entered into a Promissory Note (“Note”) with an investor issuing an original issue discount promissory note in the aggregate principal amount of \$315,000 with a \$15,000 original issue discount. The note bears no interest and on December 19, 2022, the Company issued 450,000 warrants at an exercise price of \$0.50 per share with a life of 5 years.

On December 19, 2022, the Company issued 250,000 warrants at an exercise price of \$1.00 per share with a life of 3 years as compensation for a consulting agreement. On December 19, 2022, the Company issued 4,500 warrants at an exercise price of \$1.00 per share with a life of 3 years as compensation for a consulting agreement.

On February 8, 2023, the Company issued 2,250 warrants at an exercise price of \$1.00 per share with a life of 3 years as compensation for a consulting agreement.

A summary of the status of the Company’s outstanding stock warrants and changes during the six months ended June 30, 2024 is as follows:

	<u>Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>
Outstanding as of December 31, 2023	706,750	\$ 0.68	2.68
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Outstanding as of June 30, 2024	<u>706,750</u>	<u>\$ 0.68</u>	<u>2.18</u>

As of June 30, 2024 and December 31, 2023, there were 706,750 and 706,750 stock warrants outstanding.

## **NOTE 11 - COMMITMENTS AND CONTINGENCIES**

### ***Lease Agreement***

Effective October 1, 2021, a six-year lease was signed for 3,000 square feet for \$124,200 annually, for our facilities in Newport Beach, California for \$10,350 per month.

Such leases do not require any contingent rental payments, impose any financial restrictions, or contain any residual value guarantees. Variable expenses generally represent the Company’s share of the landlord’s operating expenses. The Company does not have any leases classified as financing leases.

The rate implicit in each lease is not readily determinable, and we therefore use our incremental borrowing rate to determine the present value of the lease payments. The weighted average incremental borrowing rate used to determine the initial value of right of use (ROU) assets and lease liabilities was 6.00%, derived from borrowing rate, as obtained from the Company’s current lenders. Right of use assets for operating leases are periodically reduced by impairment losses. We use the long-lived assets impairment guidance in ASC Subtopic 360-10, Property, Plant, and Equipment – Overall, to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize. As of June 30, 2024, we have not recognized any impairment losses for our ROU assets.

We monitor for events or changes in circumstances that require a reassessment of one of our leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

On June 30, 2024 and December 31, 2023 the Company had current operating lease liabilities of \$117,831 and \$112,415, respectively, and long-term lease liabilities of \$222,433 and \$282,562, respectively, and right of use assets of \$304,354 and \$353,830, respectively.

Supplemental balance sheet information related to leases are as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Weighted-average remaining lease term (in years)		
Operating leases	2.67	3.17
Weighted-average discount rate		
Operating leases	6.00%	6.00%

Future minimum lease payments under these leases are as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2024	\$ 67,200
2025	137,074
2026	141,186
2027	23,997
Total undiscounted cash flows	<u>369,456</u>
Unamortized interest	(29,192)
Present value of lease liability	<u>\$ 340,264</u>

Net rent expense for the six months ended June 30, 2024 and 2023 were \$107,194 and \$79,412, respectively.

#### ***Inventory Agreement***

On June 20, 2023, the Company entered an agreement with GBRE, LLC, a Kentucky limited liability company, for the option to purchase up to 20,000 barrels of newly filled whiskey from their distillery Garrard County Distilling Company (“GCDC”) based in Lancaster, Kentucky. GCDC began allocating barrels to the Company in January 2024.

#### **NOTE 12 – RELATED PARTY TRANSACTIONS**

As of June 30, 2024, the Company had accounts payable due to a related party of \$0 and accrued salaries of \$197,770. As of December 31, 2023 the Company had accounts payable due to a related party of \$0 and accrued salaries of \$197,770.

During the six months ended June 30, 2024, the Company paid \$123,500 to a related party for consulting services.

#### **NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 9, 2024, the date the consolidated financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in these consolidated financial statements, aside from:

On August 1, 2024, the Company received a \$1.5 million equity investment along with a \$1.5 million investment for Cask Investment Deeds from a single party. On August 2, 2024, the Company purchased \$1.5 million worth of barrels to support the Cask Investment Deeds.