ANNUAL REPORT OF

SANTO MINING CORP.

3105 NW 107th Ave. Suite 400
Doral, FL 33172
1-844-420-4203

UN-AUDITED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31 2017 AND 2016

802899203
(Commission File Number)

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Because we want to provide more meaningful and useful information, this Disclosure Statement contains certain “forward-looking statements" (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These statements reflect our current expectations regarding our possible future results of operations, performance, and achievements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, regulation of the Securities and Exchange Commission, and common law.

Wherever possible, we have tried to identify these forward-looking statements by using words such as "anticipate," "believe," "estimate," "expect," "plan," "intend," and similar expressions. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements. We have no obligation to update or revise any such forward-looking statements that may be made to reflect events or circumstances after the date of this Disclosure Statement.

ITEM 1. EXACT NAME OF THE ISSUER AND ITS PREDECESSORS

The exact name of the company is **Santo Mining Corp**.

The Company was incorporated in the State of Nevada on July 8, 2009 as Santa Pita Corp to operate an internet portal for dentists and patients to access dental information, as well as a teeth-whitening business.

On July 30, 2012 the Company redirected its focus toward precious metal exploration and mining. Mineral exploration began with a mineral claim acquisition agreement (the “Acquisition Agreement”), with GEXPLO, SRL (the “Vendor”) and the Company, whereby the Company agreed to acquire from the Vendor a one hundred percent (100%) interest in a claim (“the Claim”) located in the Dominican Republic. The owner of the Vendor, Alain French, became President, Chief Executive Officer, Secretary, Treasurer and Director on the acquisition closing date.

On April 10, 2015 the Company entered into a plan of “Exchange Agreement”, whereby it acquired Cathay Cigars of Asia (“Cathay”) a Florida corporation. Upon the acquisition Alain French resigned all roles as Company officer and board director and issued back into treasury all preferred shares and common shares of the Company. In conjunction with the Exchange Agreement certain liabilities between Officers and mineral exploration partners of the Company, were settled in the form of notes having various terms. As per the Exchange Agreement, Franjosé Yglesias became President and Chief Executive Officer and Matthew Arnett became Chief Marketing Officer, each receiving 150,000 shares of preferred stock of the Company for their interest in Cathay.

With the acquisition the Company changed its operations to a lifestyle brand, marketing high value luxury lifestyle products to the leisure and entertainment sector.

On July 15, 2015 the Company re-domiciled to the State of Florida from the State of Nevada.

ITEM 2. ADDRESS OF THE ISSUER’S PRINCIPAL EXECUTIVE OFFICES

A. Company Headquarters
Our principal executive and administrative offices are located:
3105 NW 107th Ave. Suite 400
Doral FL, 33172
The telephone number is (844) 420-4203

ITEM 3. SECURITY INFORMATION

Common Stock
Trading Symbol: SANP
Exact Title and Class of Securities Outstanding: Common Stock
CUSIP: 802899203
Par or Stated Value: $0.00001
Total Shares Authorized: 9,000,000,000
Total Shares Issued & Outstanding: 7,423,898,142 as of December 31, 2017

Preferred "A" Stock
Trading Symbol: N/A
Exact Title and Class of Securities Outstanding: Common Stock CUSIP: N/A
Par or Stated Value: $0.001
Total Shares Authorized: 500,000,000
Total Shares Issued & Outstanding: 300,000,000 as of December 31, 2017
Preferred "A" Stock has Voting Right Conversion Rate 1 X 1,000

Transfer Agent:
Pacific Stock Transfer, Inc.
6725 Via Austi Parkway Suite 300
Las Vegas, NV 89119
Telephone: (800) 785-7782
FAX: (702) 443-1979

Is the transfer agent registered under the Exchange Act?
Yes.

List any restrictions on the transfer of security:
None.

Describe any trading suspension orders issued by the SEC in the past 12 months:
None.

ITEM 4. ISSUANCE HISTORY

During Year Ended December 31, 2017, the following issuances of securities occurred:

Convertible Issuance

On July 18, 2016, the Company borrowed $4,500 from Beaufort Capital Partners under a Convertible Promissory Note (the "BCP-Note2") with a face value of $6,000. The note is unsecured, bears late-fee interest at 12% per annum and matures on January 11, 2017. The note is convertible into common stock of the Company at a conversion price discount of 45% from the lowest intraday traded price for the common stock during the fifteen (15) trading days prior to a notice of conversion. The principal balance at December 31, 2017 and 2016 is $6,000.

On May 8, 2015 the Company entered into an informal financing arrangement whereby at the sole discretion of Machiavelli LTD or Carpathia LLC or J.P. Carey the investors would fund the Company's operations and investments through purchase of convertible promissory notes having common terms for interest, default and conversion into the Company's common shares. The interest rates are 12% and upon occurrence of an event of default, the interest rate shall increase to 24%.The notes are convertible into shares of the Company's common stock at any time beginning on the date that is 180 days following the date of each note, at a price for each share of Common Stock equal to 60% (40% discount) of the lowest closing bid price for the 30 (thirty) trading days prior to the date of conversion. During the year ended December 31, 2016 the Company issued notes totaling $12,000. The notes issued during the year were treated under the guidance of ASC 810-10-05-4 and 815-40, accordingly an estimate of fair value equal to the note amount was added to Derivative Liability and recognized in the statement of operations as other losses.

During the year ended December 31, 2017 the Company issued notes totaling $112,400 to Machiavelli LTD LLC, Carpathia LLC or J.P Carey investors. The notes issued until July 31, 2017 were treated under the guidance of ASC 810-10-05-4 and 815-40, accordingly an estimate of for fair value equal to the note amount was added to Derivative Liability and recognized in the statement of operations as other losses. Subsequent to July 31, 2017 The Company has accounted for the notes as stock settled debt under ASC 480 and recorded a debt premium (included in Derivative Liability) of with a charge to interest expense

On October 10, 2017 the Company issued a convertible note payable for financial services to Oscaleta Partners, LLC (Fee Note 1) in amount of $20,000. The note has an interest rate of 12%, matures on October 31, 2018 and can be converted into common shares at the lesser of: i) 75% of the price of the common stock at the date the note was issued, or ii) 50% of the lowest bid during the 30 trading days immediately preceding the date of the conversion notice. The Company has accounted for the convertible promissory note as stock settled debt under ASC 480 and recorded a debt premium with a charge to interest expense.

On December 1, 2017 the Company issued a convertible note payable for financial services to Oscaleta Partners, LLC (Fee Note 2) in amount of $20,000. The note has an interest rate of 12%, matures on December 31, 2018 and can be converted into common shares at the lesser of: i) 75% of the price of the common stock at the date the note was issued, or ii) 50% of the lowest bid during the 30 trading days immediately preceding the date of the conversion notice. The Company has accounted for the convertible promissory note as stock settled debt under ASC 480 and recorded a debt premium with a charge to interest expense.

On December 29, 2017 the Company borrowed $20,000 from Oscaleta Partners, LLC. A convertible note payable in the principal amount of $20,000 was issued to the lender. The note has an interest rate of 12% and matures on June 30, 2018 and can be converted at the lesser of: i) .0003, or ii) 50% of the lowest bid during the 30 trading days immediately preceding the date of the conversion notice. The Company has accounted for the convertible promissory note as stock settled debt under ASC 480 and recorded a debt premium with a charge to interest expense.

Conversions of Debt to Common Shares

On January 4, 2016, 150,000,000 common shares were issued to the holder of convertible note issued to Machiavelli LTD LLC. The conversion of $5,250 was applied to amounts due to the note holder.

On July, 21, 2016, 180,000,000 common shares were issued to the holder of convertible note issued to Machiavelli LTD LLC. The conversion of $6,300 was applied to amounts due to the note holder.

On August 4, 2016, 180,000,000 common shares were issued to the holder of convertible note issued to Machiavelli LTD LLC. The conversion of $7,992 was applied to amounts due to the note holder.

On December 7, 2016, 180,000,000 common shares were issued to the holder of convertible note issued to Machiavelli LTD LLC. The conversion of $6,300 was applied to amounts due to the note holder.

On March 28, 2017 118,000,000 common shares were issued to the holder of a convertible note issued to KBM Worldwide, Inc. The conversion of $5,900 in value was applied to interest expense following the restatement and assignment of the original notes.

On April 21, 2017, 235,000,000 common shares were issued to Machiavelli LTD LLC. The conversion of $8,225 in value was applied to amounts due to the note holder.

On April 11, 2017, 187,500,000 common shares were issued to the holder of a convertible note issued to Mr. Raul Vazquez. The conversion of $5,000 in value was applied to amounts due to the note holder.

On May 2, 2017, 210,000,000 common shares were issued to Machiavelli LTD LLC. The conversion of $7,350 in value was applied to amounts due to the note holder.

On May 5, 2017, 280,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $9,800 in value was applied to amounts due to the note holder.

On May 26, 2017, 207,142,857 common shares were issued to World Market Ventures, LLC. The conversion of $6,000 in value was applied to amounts due to the note holder.

On June 5, 2017, 181,059,123 common shares were issued to World Market Ventures, LLC. The conversion of $10,562 in value was applied to amounts due to the note holder.

On June 12, 2017, 129,310,345 common shares were issued to Beaufort Capital, LLC. The conversion of $7,500 in value was applied to amounts due to the note holder.

On August 15, 2017, 386,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $19,300 in value was applied to amounts due to the note holder.

On October 5, 2017, 251,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $12,575 in value was applied to amounts due to the note holder.

On October 10, 201,7 375,000,000 common shares were issued to JP Carey, LLC. The conversion of $18,750 in value was applied to amounts due to the note holder.

On October 17, 2017, 150,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $7,500 in value was applied to amounts due to the note holder.

On October 25, 2017, 150,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $7,312 in value was applied to amounts due to the note holder.

On October 27, 2017, 253,000,000 common shares were issued to JMJ, LLC. The conversion of $15,180 in value was applied to amounts due to the note holder.

On November 1, 2017, 273,000,000 common shares were issued to JMJ, LLC. The conversion of $15,380 in value was applied to amounts due to the note holder.

On November 3, 2017, 287,000,000 common shares were issued to JMJ, LLC. The conversion of $17,220 in value was applied to amounts due to the note holder.

On November 6, 2017, 485,637,000 common shares were issued to Trillium. The conversion of $24,282 in value was applied to amounts due to the note holder.

On November 6, 2017, 301,000,000 common shares were issued to JMJ, LLC. The conversion of $18.060 in value was applied to amounts due to the note holder.

On November 10, 2017, 251,740,778 common shares were issued to JMJ, LLC. The conversion of $45,313 in value was applied to amounts due to the note holder.

On November 17, 2017, 208,333,333 common shares were issued to JMJ, LLC. The conversion of $25,000 in value was applied to amounts due to the note holder.

On November 17, 2017, 62,714,408 common shares were issued to World Market Ventures, LLC. The conversion of $7,313 in value was applied to amounts due to the note holder.

On December 29, 2017, 62,714,408 common shares were issued to Trillium. The conversion of $7,434 in value was applied to amounts due to the note holder.

THE SECURITIES ISSUED ABOVE WERE ISSUED PURSUANT TO EXEMPTIONS FROM REGISTRATION REQUIREMENTS RELYING ON SECTION 4(A)(2) OF THE SECURITIES ACT OF 1933 AND UPON RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933 AS THERE WAS NO GENERAL SOLICITATION, AND THE TRANSACTIONS DID NOT INVOLVE A PUBLIC OFFERING. THE HOLDERS PROVIDED LEGAL OPINIONS PURSUANT TO RULE 144 PROMULGATED UNDER SECTION 4(A)(1) OF THE SECURITIES ACT AND RULE 144.

ITEM 5. FINANCIAL STATEMENTS

Santo Mining Corp.
Consolidated Balance Sheets
(Unaudited)

	December 31, 2017	December 31, 2016
CURRENT ASSETS		
Cash and cash equivalents	$ (5,460)	$ (4,952)
Accounts receivable, net of allowance	-	102,945
Prepaid expenses	30,126	-
Inventory	-	112,652
Total Current Assets	24,666	210,645
OTHER ASSETS	-	-
Total Assets	$ 24,666	$ 210,645
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 79,347	$ 126,347
Accrued Compensation	533,132	300,000
Accrued Interest - Convertible notes payable	187,574	165,714
Convertible notes payable-current portion net of discount	508,869	563,317
Derivative Liability	227,768	354,167
Related party payable	-	18,630
Total Current Liabilities	1,536,690	1,528,175
LONG-TERM LIABILITIES	-	-
Total Liabilities	1,536,690	1,528,175
STOCKHOLDERS' DEFICIT		
Series A Preferred stock; par value of $.001, 500,000,000 shares authorized; 300,000,000 and 300,000,000 shares issued and outstanding at December 31, 2017 and December 31, 2016, respectively	300,000	300,000
Common stock; par value of $.00001, 9,000,000,000 shares authorized; 7,423,361,971 and 2,366,588,827 shares issued and outstanding at December 31, 2017 and December 31, 2016, respectively	74,234	23,666
Additional paid in capital	2,457,719	2,205,081
Accumulated deficit	(4,343,977)	(3,846,277)
Total Stockholders' Deficit	(1,512,024)	(1,317,530)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 24,666	$ 210,645

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

SANTO MINING CORP.
Consolidated Statements of Operations
(Unaudited)

	For the Twelve Months Ended December 31, 2017	For the Twelve Months Ended December 31, 2016
REVENUES	$ 126,702	$ 220,200
COST OF SALES	127,258	72,140
Gross Profit (loss)	(555)	148,060
OPERATING EXPENSES		
General and administrative	142,132	88,232
Advertising and marketing	19,566	5,217
Professional fees	40,412	331
Officer Compensation	300,000	300,000
Total Operating Expenses	521,676	393,780
OPERATING (LOSS)	(522,231)	(245,720)
OTHER INCOME (EXPENSE)		
Change in Fair Value of Derivative	194,132	25,167
Interest expense	(169,601)	(69,902)
Total Other Income (Expense)	24,531	(44,735)
NET (LOSS) BEFORE INCOME TAXES	(497,700)	(290,455)
Provision for income taxes	-	-
NET (LOSS)	$ (497,700)	$ (290,455)
BASIC AND DILUTED LOSS PER SHARE	$ (0.0001)	$ (0.0001)
WEIGHTED AVERAGE NUMBER	4,065,444,700	1,995,307,190
OF SHARES OUTSTANDING		
Weighted Average Shares Outstanding - Basic and Diluted	4,065,444,700	1,995,307,190
NET INCOME (LOSS)	(497,700)	(290,455)
Foreign Currency Translation	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(497,700)	(290,455)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

SANTO MINING CORP.

Consolidated Statements of Stockholders' Deficit

(Unaudited)

	Preferred Stock Series A		Common Stock				Accumulated Other	Total
	Shares	Amount	Shares	Amount	Additional Paid in Capital	Accumulated Deficit	Comprehensive Income	Stockholders' (Deficit)
Balance, December 31, 2015	3,000,000	300,000	1,532,213,827	$ 15,322	$ 2,170,258	$ (3,555,822)	$ -	$ (1,070,242)
Common stock for conversion of convertible note principal			834,375,000	8,344	34,823	-		43,167
Net Derivative Liability Issuance and Settlement	-	-	-	-				
Net loss for the period ended December 31, 2016	-	-	-	-	-	(290,455)	-	(290,455)
Balance, December 31, 2016	3,000,000	$300,000	2,366,588,827	$ 23,666	$ 2,205,081	$ (3,846,277)	$ -	$ (1,317,530)
Common stock for conversion of convertible note principal			5,056,773,144	50,568	252,638			303,206
Net loss for the period ended December 31, 2017						(497,700)		(497,700)
Balance, December 31, 2017	3,000,000	$ 300,000	7,423,361,971	$ 74,234	$ 2,457,719	(4,043,977)		(1,512,024)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

SANTO MINING CORP.
Consolidated Statements of Cash Flows
(Unaudited)

	Years Ended: December 31, 2017	2016
OPERATING ACTIVITIES		
Net (Loss)	$ (497,700)	$ (290,455)
Adjustments to reconcile net (loss) to net cash from operating activities:		
		-
	-	-
Non-cash unaccrued interest on notes converted	67,616	-
Short-term notes issued for professional fees	40,000	-
Changes in operating assets and liabilities:		
Accounts receivable	102,945	(77,945)
Inventory	112,652	(40,982)
Accounts payable and accrued expenses	(47,000)	47,277
Accrued Compensation	233,132	300,000
Accrued Interest on Convertible Notes	21,860	69,903
Derivative Liability	(125,513)	(25,167)
Net Cash (Used) From Operating Activities	(92,008)	273,086)
FINANCING ACTIVITIES		
Proceeds from Convertible Note issuance	91,500	18,000
Net Cash From Financing Activities	91,500	18,000
Net Increase (Decrease) in Cash and Cash Equivalents	(508)	631
Cash and Cash Equivalents, Beginning of Period	(4,952)	(5,582)
Cash and Cash Equivalents, End of Period	$ (5,460)	$ (4,952)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

NOTE 1- NATURE OF OPERATIONS

Corporate History

The Company was incorporated in the State of Nevada on July 8, 2009 as Santa Pita Corp to operate an internet portal for dentists and patients to access dental information, as well as a teeth-whitening business.

On July 30, 2012 the Company redirected its focus toward precious metal exploration and mining. Mineral exploration began with a mineral claim acquisition agreement (the "Acquisition Agreement"), with GEXPLO, SRL (the "Vendor") and the Company, whereby the Company agreed to acquire from the Vendor a one hundred percent (100%) interest in a claim ("the Claim") located in the Dominican Republic. The owner of the Vendor, Alain French, became President, Chief Executive Officer, Secretary, Treasurer and Director on the acquisition closing date. The Company was renamed Santo Mining Corp.

Merger

On April 10, 2015 the Company entered into a plan of "Exchange Agreement", whereby it acquired Cathay Cigars of Asia ("Cathay") a Florida corporation. Upon the acquisition Alain French resigned all roles as Company officer and board director and issued back into treasury all preferred shares and common shares of the Company. In conjunction with the Exchange Agreement certain liabilities between Officers and mineral exploration partners of the Company, were settled in the form of notes having various terms. As per the Exchange Agreement, Franjosé Yglesias became President and Chief Executive Officer and Matthew Arnett became Chief Marketing Officer, each receiving 150,000,000 shares of Series A preferred .001 par stock of the Company for their interest in Cathay.

With the acquisition the Company changed its operations to a lifestyle brand, marketing high value luxury lifestyle products to the leisure and entertainment sector.

On July 15, 2015 the Company re-domiciled to the State of Florida from the State of Nevada.

On October 15, 2015 the Company filed a Form 15-12G to relieve itself temporarily of its filling obligations with the Securities Exchange Commission.

On March 1, 2016 the Company increased its authorized Common Shares from 5,000,000,000 to 9,000,000,000 and its Preferred Shares to 500,000,000.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America.

<u>Loss per Share</u>
Basic loss per share ("EPS") is computed by dividing net loss (the numerator) by the weighted-average number of common shares outstanding for the period (the denominator). Diluted EPS is computed by dividing net loss by the weighted-average number of common shares and potential common shares outstanding (if dilutive) during each period. Potential common shares include common shares to be issued related to convertible debentures.

As the Company has incurred losses for the years ended December 31, 2017 and 2016, the potentially dilutive shares are anti-dilutive and are thus not added into the loss per share calculations.

Going Concern

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has generally had net losses after consideration of income taxes. Further, the Company has negative working capital and insufficient cash flows from operation as of December 31, 2017, and does not have the requisite liquidity to pay its current obligations. These factors, among others, raise substantial doubt about its ability to continue as a going concern. Management will seek to increase revenues and reduce costs, while raising capital through the sale of its stock. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from those estimates.

Inventory

Inventory is valued at lower of cost or market using first-in-first out cost flows. Inventory is periodically reviewed for obsolescence and other impairment with adjustments taken to cost of sales or period costs based on the nature of the impairment.

Derivative Liabilities

The Company has certain financial instruments that contain embedded derivatives. The Company evaluates all its financial instruments to determine if those contracts or any potential embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with ASC 810-10-05-4 and 815-40. This accounting treatment requires that the carrying amount of any embedded derivatives be recorded at fair value at issuance and marked-to-market at each balance sheet date. In the event that the fair value is recorded as a liability, as is the case with the Company, the change in the fair value during the period is recorded as either income or expense. Upon conversion, exercise or repayment, the respective derivative liability is marked to fair value at the conversion, repayment or exercise date and then the related fair value amount is reclassified to income or expense as part of gain or loss on extinguishment.

Convertible Notes with Fixed Rate Conversion Options

The Company may enter into convertible notes, some of which contain, predominantly, fixed rate conversion features, whereby the outstanding principal and accrued interest may be converted by the holder, into common shares at a fixed discount to the market price of the common stock at the time of conversion. This results in a fair value of the convertible note being equal to a fixed monetary amount. The Company records the convertible note liability at its fixed monetary amount by measuring and recording a premium, as applicable, on the note date with a charge to interest expense in accordance with ASC 480 - "Distinguishing Liabilities from Equity". Since July 2017, newly issued convertible notes are evaluated to determine whether to apply derivative treatment or considered the note as stock settled debt with premium charged to interest expense on date of issuance.

Revenue Recognition

Sales are recognized upon shipment of product to the customer. Provisions for returns and allowances are recorded in the period the sales occur. Payments received from customers prior to shipment of the product to them, are recorded as customer deposit liabilities.

Cost of Sales

The Company includes product costs (i.e. material, direct labor and overhead costs), shipping and handling expense in cost of sales.

Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company computes a deferred tax asset for net operating losses carried forward. The potential benefit of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

Subsequent Events

The Company evaluated events subsequent to December 31, 2017 through the date the financial statements were issued for disclosure considerations.

NOTE 3 – CASH AND CASH EQUILIVANTS

Generally cash on deposit at banks and short term interest bearing securities are considered cash. Certain amounts recorded as Accounts Receivable are in-transit deposits being processed by third parties out of the control of the Company and are not recognized as cash until the deposit is recorded by the bank. As such bank balances may appear as negative cash balances from time to time as was the case during the 2017 and 2016 year-ends occurred on weekends.

NOTE 4 – COMMIMENTS, CONTINGENCIES AND LEGAL MATTERS

From time to time, the Company may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. Except as set forth below, we are currently not aware of any such pending or threatened legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts Receivable consists of amounts billed to wholesale and retail customers for cigars. Wholesale terms vary by customer and may include consignment type arrangements. All product sales including those paid by credit card are recorded as Accounts Receivable when invoiced. Credit card payments are generally processed and automatically deposited in the bank accounts within 3 business days of invoicing. Allowances for uncollectable amounts are reviewed monthly and adjustments are reflected in the period in which such allowances change. During Year Ended December 31, 2017 and 2016, the balances of accounts receivable were $0 and $102,652.

NOTE 6 – OTHER CURRENT ASSETS

Other Current Assets (Prepaid Expenses) include deposits placed with vendors for goods or services. At December 31, 2017 $30,126 was on deposit for purchase of computer hardware.

NOTE 7 - INVENTORY

Inventory consists of finished goods (cigars). Inventory is physically located in Company storage in the US or abroad. Inventory is periodically reviewed for impairment and adjusted to reflect lower of cost or market values. At December 31 2017 and 2016 inventory was valued at $0 and $112,652.

NOTE 8 – LEASES

The Company leases an office that serves as its executive offices. Pursuant to the lease, the rent for Year Ended December 31, 2017 totaled $2,832. During the Year Ended December 31, 2016 the Company expensed $30,603 for its offices and storage facilities used for inventory.

NOTE 9 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts Payable and Accrued Expenses at December 31, 2017 and December 31, 2016 represent the following:

	December 31, 2017	December 31, 2016
Accounts Payable	$ 79,347	$ 126,347
Accrued Compensation	533,132	$ 300,000
Accrued Interest Convertible Notes	187,574	165,714
Total	$ 799,953	$ 592,061

Accounts Payable includes $79,347 of legacy liabilities following the 2015 merger. Management expects to liquidate the legacy balances for lesser amounts than as recorded. Accrued Compensation represents the balances due to officers which may be settled with a formal recognition of amounts owed through notes payable. Accrued Interest – Convertible Notes is expected to be settled through conversion of principal and interest at the note holders' request.

NOTE 10 – CONVERTIBLE DEBENTURES

Legacy Financing

The convertible promissory notes below were entered into prior to the acquisition of Cathay along with certain other liabilities included in the accounts payable and accrued interest recorded on the balance sheet at December 31, 2017.

Asher/KBM Worldwide, Inc. Notes 1 & 2:
On March 20, 2014, the Company borrowed $37,500 from KBM Worldwide pursuant to a Convertible Promissory Note (the "KBM-Note1") with a face value of $37,500. The note is unsecured, accrues interest at 8% per annum (and default interest at 22% per annum) and matured on February 16, 2015. The note is convertible into common stock of the Company and the conversion price shall be equal to a 50% discount from the average of the three (3) lowest closing bid prices for the common stock during the thirty (30) trading days prior to a notice of conversion. The KBM-Note1 is currently in default.

On May 13, 2014, the Company borrowed $42,500 from KBM Worldwide pursuant to a Convertible Promissory Note (the "KBM-Note2") with a face value of $42,500. The note is unsecured, accrues interest at 8% per annum (and default interest at 22% per annum) and matured on December 31, 2015. The note is convertible into common stock of the Company and the conversion price shall be equal to a 50% discount from the average of the three (3) lowest closing bid prices for the common stock during the thirty (30) trading days prior to a notice of conversion. The KBM-Note2 is currently in default.

The KBM-Note1 and the KBM-Note2 (collectively, the "KBM Notes") were assigned pursuant to two (2) assignment agreements: one, an assignment agreement by and between the Company, KBM Worldwide, Inc., and J. P. Carey, Inc. dated May 8, 2017 which effectively assigned, restated, sold and transferred fifty percent (50%) of the rights, title and interests in, to and under the KBM Notes to J.P. Carey, Inc. from the inception of the obligations; and the other, an assignment agreement by and between the Company, KBM Worldwide, Inc., and World Market Ventures, LLC dated May 8, 2017 which effectively assigned, restated, sold and transferred fifty percent (50%) of the rights, title and interests in, to and under the KBM Notes to World Market Ventures, LLC from the inception of the obligations. On August 3, 2017, the Company issued four (4) amended and restated notes to reflect the transactions consummated by the assignment agreements (and include the default amounts) as follows:

1) Two convertible promissory notes of the Company in favor of J.P. Carey, Inc. and World Market Ventures, LLC each in the amount of $22,312.50 representing the 50% assignment each in the restated KBM-Note1;
2) Two convertible promissory notes of the Company in favor of J.P. Carey, Inc. and World Markets Ventures, LLC each in the amount of $31,875.00 representing the 50% assignment each of the restated KBM-Note2;
    a. The notes issued above include the same terms as the originally issued notes, respectively; with the exception that the conversion limitation of 4.99% of the total issued and outstanding common stock of the Company has been increased to 9.99% of the total issued and outstanding common stock of the Company.

3) Amendment and restated notes were issued to each of J. P. Carey, Inc.
   a. World Market Ventures, LLC

As of December 31, 2017 principal had been reduced as shown in the table below.

Hanover/MagnaNote:

On February 6, 2014, the Company issued 8% Convertible Promissory Note (the "Hanover Note") to Hanover, in the principal amount of $90,000, with an amended maturity date of June 7, 2015. The Note is convertible into shares of the Company's common stock at any time beginning on the date that is 180 days following the date of the note at a discount (per amendment dated October 17, 2014) of 20% of the lowest volume weighted average price in the 3 days prior to the conversion. The Note is subject to customary default provisions, including failure to issue common stock upon conversion. Upon the occurrence of an event of default, the interest rate shall be increased to 18% per annum. Due to initial conversion terms of the note no derivative liability was ascribed to the note, however given the amended conversion discount of 20% unallocated derivative liability has been held in reserve in the amount of $22,500. Management believes that treatment is consistent with stock settled debt under ASC 480 where a debt premium with a charge to interest expense would normally be recorded. The principal balance at December 31, 2017 and 2016 is $90,000.

LG Capital Notes:

On April 4, 2014, the Company issued 10% Convertible Promissory Note (the "LG Capital Note") to LG Capital, in the principal amount of $40,000, with a maturity date of April 4, 2015. The Note is convertible into shares of the Company's common stock at any time beginning on the date that is 180 days following the date of the Note and ending on the Maturity Date, at a price for each share of Common Stock equal to 50% of the lowest closing bid price for the twenty prior trading days including the date of conversion. The principal balance at December 31, 2017 and 2016 is $37,930.

On Oct 23, 2014, the Company issued 10% Convertible Promissory Note (the "LG Capital Note") to LG Capital, in the principal amount of $24,000, with a maturity date of Oct 23, 2015. The Note is convertible into shares of the Company's common stock at any time beginning on the date that is 180 days following the date of the Note and ending on the Maturity Date, at a price for each share of Common Stock equal to 50% of the lowest closing bid price for the twenty prior trading days including the date of conversion. The principal balance at December 31, 2017 and 2016 is $24,000.

JMJ Notes:

On June 12, 2013, the Company issued to JMJ Financial ("JMJ"), a convertible promissory note as of the same date in the principal amount of $335,000 (the "JMJ Master Note"), with a maturity date of June 11, 2012, for total consideration of $300,000 (the "Note Consideration"). The interest rate of the JMJ is 0% if repaid within the first 90 days, and shall increase to 12% after 90 days. Pursuant to the terms of the Note, JMJ may elect to convert all or part of the outstanding unpaid principal and accrued interest into shares of the Company's common stock (up to an amount that would result in JMJ Financial holding no more than 4.99% of the outstanding shares of common stock of the Company) at a conversion price of the lesser of: (i) $0.138, or (ii) 60% of the lowest trade price in the 25 trading days preceding the conversion. Upon the closing on June 12, 2013, JMJ paid to the Company consideration in the amount of $60,000. The initial advance, all principal and accrued interest under the master note has been liquidated through conversions prior to December 31, 2016.

On September 26, 2013, JMJ paid the Company additional $25,000.
On November 21, 2013, the Company closed a Second Tranche of the JMJ Financial ("JMJ") convertible promissory note for (the "JMJ Note) in the amount of $30,000, the "Second JMJ Agreement"). All principal and accrued interest has been liquidated through conversion prior to December 31, 2016.

On December 12, 2014, the Company closed a Third Tranche of the JMJ Financial ("JMJ") convertible promissory note (the "JMJ Note) in the amount of $20,000, the "Third JMJ Agreement". The outstanding principal balance at December 31, 2016 is $16,449. The outstanding principal and accrued interest was fully liquidated by December 31, 2017.

On March 12, 2014, the Company closed a Fourth Tranche of the JMJ Financial ("JMJ") convertible promissory note (the "JMJ Note) in the amount of $25,000, the "Third JMJ Agreement". The outstanding principal balance at December 31, 2016 is $22,333. The outstanding principal and accrued interest was fully liquidated by December 31, 2017.

On June 24, 2014, the Company closed a Fifth Tranche of the JMJ Financial (“JMJ”) convertible promissory note (the “JMJ Note) in the amount of $25,000, the “Third JMJ Agreement”. The outstanding principal balance at December 31, 2016 is $27,917. The outstanding principal and accrued interest was fully liquidated by December 31, 2017.

On October 23, 2014, the Company closed the Sixth and last Tranche of the JMJ Financial (“JMJ”) convertible promissory note (the “JMJ Note) in the amount of $25,000, the “Third JMJ Agreement”. The outstanding principal balance at December 31, 2016 is $27,917. The outstanding principal and accrued interest was fully liquidated by December 31, 2017.

Machiavelli LTD LLC
On April 1, 2015, Machiavelli LTD LLC, purchased a note previously held by a related party (GEXPLO) and was issued an amended and restated note for the principal and interest accrued of $70,000 from April 3, 2014. The note is convertible into common stock of the Company at a conversion price of 35% of the average of the three lowest trading prices in the previous ten day period prior to conversion. As of December 31, 2017 the note’s principal and interest accrued had been liquidated through conversions, at December 31, 2016 the principal balance is $22,385.

Beaufort Capital Partners, LLC:
On December 17, 2015, the Company borrowed $20,000 from Beaufort Capital Partners under a Convertible Promissory Note with a face value of $25,000. The note is unsecured, bears late-fee interest at 12% per annum and matures on December 17, 2016. The note is convertible into common stock of the Company at a conversion price discount of 45% from the lowest intraday traded price for the common stock during the fifteen (15) trading days prior to a notice of conversion. The outstanding principal balance is $25,000 at December 31, 2017 and 2016.

On January 11, 2015, the Company borrowed $7,500 from Beaufort Capital Partners under a Convertible Promissory Note with a face value of $10,000. The note is unsecured, bears late-fee interest at 12% per annum and matures on January 11, 2017. The note is convertible into common stock of the Company at a conversion price discount of 45% from the lowest intraday traded price for the common stock during the fifteen (15) trading days prior to a notice of conversion. The outstanding principal balance is $0 at December 31, 2017 and $7,500 at 2016.

TABLE OF LEGACY CONVERTIBLE PROMISSORY NOTES

Original Note Terms	Maturity	Current Interest Rate	Principal and Default Penalties Outstanding December 31, 2016	Principal and Default Penalties Outstanding December 31, 2017
Asher/KBM 1	12/31/2014	22%	37,320	3,563
Asher/KBM 2	2/16/2015	22%	63,750	160
Hanover	12/7/2014	18%	90,000	90,000
LG	4/4/2015	24%	37,930	37,930
LG	10/29/2014	24%	24,000	24,000
JMJ	12/10/2014	12%	16,449	-
JMJ	3/12/2015	12%	22,333	-
JMJ	6/24/2015	12%	27,917	-
JMJ	10/23/2015	12%	27,917	-
		Total	$347,616	$155,653
Machiavelli/GEXPLO	4/13/2013	6%	22,385	0
GEXPLO	1/31/2014	N/A	122,816	122,816
Former Director	2/15/2015	8%	10,000	10,000
Former Vendor	11/1/2014	12%	5,000	-
Former Related Party			$160,201	$132,816
Beaufort Capital Partners, LLC	12/17/2015	12%	25,000	25,000
Beaufort Capital Partners, LLC	1/11/2015	12%	7,500	-
Pre-acquisition financing	Subtotal		32,500	-
Legacy Convertible Debt	Total		$540,318	$313,469

New Financings

In July 2017, the FASB issued Accounting Standards Update No. 2017-11 Earnings Per Share (Topic 260) Distinguishing Liabilities from Equity (Topic 480) Derivatives and Hedging (Topic 815) (“ASU 2017-11”), which changes the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock. ASU 2017-11 also clarifies existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, ASU 2017-11 requires entities that present earnings per share (EPS) in accordance with ASC Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. For the Company, ASU 2017-11 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. The Company adopted this standard on August 1, 2017.

Beaufort Capital Partners, LLC:

On July 18, 2016, the Company borrowed $4,500 from Beaufort Capital Partners under a Convertible Promissory Note (the “BCP-Note2”) with a face value of $6,000. The note is unsecured, bears late-fee interest at 12% per annum and matures on January 11, 2017. The note is convertible into common stock of the Company at a conversion price discount of 45% from the lowest intraday traded price for the common stock during the fifteen (15) trading days prior to a notice of conversion. The principal balance at December 31, 2017 and 2016 is $6,000.

Machiavelli LTD LLC, Carpathia LLC and J.P. Carey

On May 8, 2015 the Company entered into an informal financing arrangement whereby at the sole discretion of Machiavelli LTD or Carpathia LLC or J.P. Carey the investors would fund the Company’s operations and investments through purchase of convertible promissory notes having common terms for interest, default and conversion into the Company’s common shares. The interest rates are 12% and upon occurrence of an event of default, the interest rate shall increase to 24%.The notes are convertible into shares of the Company's common stock at any time beginning on the date that is 180 days following the date of each note, at a price for each share of Common Stock equal to 60% (40% discount) of the lowest closing bid price for the 30 (thirty) trading days prior to the date of conversion. Individual notes issued prior to August 1, 2017 were treated under the guidance of ASC 810-10-05-4 and 815-40, accordingly an estimate of for fair value equal to the note amount was added to Derivative Liability and recognized in the statement of operations as other losses. Subsequent to July 31, 2017 The Company has accounted for the notes as stock settled debt under ASC 480 and recorded a debt premium (included in Derivative Liability) with a charge to interest expense. At December 31, 2017 the outstanding principal was $129,400, and at December 31, 2016 it was $17,000.

Table of Machiavelli LTD LLC, Carpathia LLC and J.P. Carey Convertible Promissory Notes

Issue Date	Maturity Date	Amount
5/8/2015	5/8/2016	5,000
3/7/2016	3/7/2017	7,000
4/26/2016	4/26/2017	5,000
1/19/2017	1/19/2018	4,300
1/20/2017	1/20/2018	4,300
2/14/2017	2/14/2018	3,500
3/20/17	3/20/2018	10,000
6/2/2017	12/2/2017	10,000
6/20/2017	12/20/2017	10,000
9/5/2017	3/5/2017	10,000
9/21/2017	3/21/2018	20,000
9/29/2017	3/29/2018	5,700
10/19/2017	4/19/2018	34,600
Outstanding	12/31/2017	$129,400

Oscaleta Partners, LLC Notes:

On October 10, 2017 the Company issued a convertible note payable for financial services to Oscaleta Partners, LLC (Fee Note 1) in amount of $20,000. The note has an interest rate of 12%, matures on October 31, 2018 and can be converted into common shares at the lesser of: i) 75% of the price of the common stock at the date the note was issued, or ii) 50% of the lowest bid during the 30 trading days immediately preceding the date of the conversion notice. The Company has accounted for the convertible promissory note as stock settled debt under ASC 480 and recorded a debt premium with a charge to interest expense.

On December 1, 2017 the Company issued a convertible note payable for financial services to Oscaleta Partners, LLC (Fee Note 2) in amount of $20,000. The note has an interest rate of 12%, matures on December 31, 2018 and can be converted into common shares at the lesser of: i) 75% of the price of the common stock at the date the note was issued, or ii) 50% of the lowest bid during the 30 trading days immediately preceding the date of the conversion notice. The Company has accounted for the convertible promissory note as stock settled debt under ASC 480 and recorded a debt premium with a charge to interest expense.

On December 29, 2017 the Company borrowed $20,000 from Oscaleta Partners, LLC. A convertible note payable in the principal amount of $20,000 was issued to the lender. The note has an interest rate of 12% and matures on June 30, 2018 and can be converted at the lesser of: i) .0003, or ii) 50% of the lowest bid during the 30 trading days immediately preceding the date of the conversion notice. The Company has accounted for the convertible promissory note as stock settled debt under ASC 480 and recorded a debt premium with a charge to interest expense.

Available Shares of Common Stock

At December 31, 2017 there were 1,576,638,029 authorized and unissued shares of common stock available for conversions. Which based on the principal and accrued interest payable under convertible notes would not liquidate the entire balances of convertible notes and accrued interest. It is management's belief that based on terms of the notes and/or the unique situations of the note holders some of the unconverted notes will not be liquidated through conversion within the next year. Management monitors this situation carefully and is in contact with a number of the note holders.

NOTE 11- DERIVATIVE LIABILITIES

FASB ASC 820 defines fair value, establishes a framework for measuring fair value under U.S. generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined 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. Valuation techniques used to measure fair value under FASB ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, with the first two inputs considered observable and the last input considered unobservable, that may be used to measure fair value as follows:

- Level one -- Quoted market prices in active markets for identical assets or liabilities;
- Level two – Inputs, other than level one inputs, that are either directly or indirectly observable; and
- Level three -- Unobservable inputs developed using estimates and assumptions, which are developed
- by the reporting entity and reflect those assumptions that a market participant would use.

Determining which category an asset or liability falls within the hierarchy requires significant judgment. The Company evaluates its hierarchy disclosures each quarter. The Company has one liability measured at fair value on a recurring basis, which consists of a derivative liability on certain convertible notes payable (see note 11). As of December 31, 2016 this derivative liability had an estimated fair value of $462,456. The Company has no assets that are measured at fair value on a recurring basis.

The following table presents information about our derivative liability, which was the Company's only financial instrument measured at fair value on a recurring basis using significant inputs other than level one inputs that are either directly or indirectly observable (Level 2) as of December 31, 2017:

Balance at December 31, 2015	$ 379,334
Conversions (legacy)	(43,167)
Issuances (new notes)	18,000
Balance at December 31, 2017	354,167
Conversions (legacy and new notes)	(254,033)
Issuances (fair value estimate)	17,000
Issuances (premium, since July 2017)	101,634
Balance at December 31, 2017	$ 227,768

All legacy convertible notes were evaluated for fair value treatment at the date of issuance and were periodically revalued. The fair values of the financial derivative were calculated using a modified binomial valuation model that values the derivative liability within the notes based on a probability weighted discounted cash flow model. These models are based on future projections of the various potential outcomes. The features in the notes that were analyzed and incorporated into the model included the conversion feature with the reset provisions; redemption provisions; and the default provisions. Assumptions used to calculate the fair value of the derivative liability on the loan origination date and July 31, 2014:

	July 31, 2013	On Various Debt Origination Date	July 31, 2014
Market value of common stock on measurement date (1)	$0.105	$0.0013 - $0.0024	$0.0004
Adjusted conversion price (2)	0.083	0.001 – 0.004	$0.0013
Risk free interest rate (3)	0.04% - 0.08%	0.02% - 0.11%	0.02% - 0.11%
Life of the note in years	0.48 - 0.86	0.0 - 0.65	0.0 - 0.65
Expected volatility (4)	192%	223%	220%
Expected dividend yield (5)	-	-	-

(1) The market value of common stock was based on closing market price as of July 31, 2013, on each debt origination date and July 31, 2014.

(2) The adjusted conversion price is calculated based on conversion terms described in the note agreement.

(3) The risk-free interest rate was determined by management using the 1year Treasury Bill as of the respective Offering or measurement date.
(4) The volatility factor was estimated by management using the historical volatilities of the Company's stock.
(5) Management determined the dividend yield to be 0% based upon its expectation that it will not pay dividends for the foreseeable future.
(6) Derivative Liabilities for notes that have matured remain at the historic liability amount unless converted into common shares at which time the proportionate principal and derivative liability are decreased. No such adjustment to the derivative liability is made for interest converted.

Since July 31, 2014, the notes have been evaluated by comparing the sum of the derivative liability, the accrued interest and the principal to an "as if converted" basis in the financial statements. New notes issued until July 31, 2017 were evaluated based on the conversion terms and the effect of notes converted with similar terms. In general new issuances were treated as if the embedded conversion feature was a derivative and the fair value adjustment to the derivative liability and recognized in statement of operations and equaled or exceeded the face amounts of the notes. Notes issued after July 31, 2017 have been treated as stock settled debt with a premium equal to the value associated with the conversion price discount being recorded as derivative liability and recognized as interest expense at issuance date.

In addition to the assumptions above, the Company also takes into consideration whether or not the Company would participate in another round of financing and if that financing is registered or not and what that stock price would be for the financing at that time. The Company highlights that the legacy notes have matured, and is no longer calculating a derivative value for these notes.

NOTE 12 - RELATED PARTY PAYABLES

As of September, 2017, the Company had net advances and loans of from officers for reimbursable expenditures for travel and lodging and advances made to the Company. At December 31, 2017 and 2016 the balances due to officers were $0 and $18,630.

NOTE 13- STOCKHOLDERS' DEFICIENCY

On May 22, 2017, the Company increased the authorized number of shares of common stock to 9 billion shares. At December 31, 2017 and December 31, 2016, there are 7,423,361,971 and 2,366,588,827 shares of Common stock par value .00001, outstanding, respectively.
At December 31, 2017 and 2016 there are 500,000,000 shares authorized of Preferred "A" Stock, par or stated value: $0.001
Total Shares Issued & Outstanding: 300,000,000
Mr. Matthew Arnett 150,000,000
Mr. Franjosé Yglesias 150,000,000
Preferred "A" Stock has Voting Right Conversion Rate 1 X 1,000

The following shares of common stock were issued during the years ended December 31, 2017 and 2016.

On January 4, 2016, 150,000,000 common shares were issued to the holder of convertible note issued to Machiavelli LTD LLC. The conversion of $5,250 was applied to amounts due to the note holder.

On July, 21, 2016, 180,000,000 common shares were issued to the holder of convertible note issued to Machiavelli LTD LLC. The conversion of $6,300 was applied to amounts due to the note holder.

On August 4, 2016, 180,000,000 common shares were issued to the holder of convertible note issued to Machiavelli LTD LLC. The conversion of $7,992 was applied to amounts due to the note holder.

On December 7, 2016, 180,000,000 common shares were issued to the holder of convertible note issued to Machiavelli LTD LLC. The conversion of $6,300 was applied to amounts due to the note holder.

On March 28, 2017 118,000,000 common shares were issued to the holder of a convertible note issued to KBM Worldwide, Inc. The conversion of $5,900 in value was applied to interest expense following the restatement and assignment of the original notes.

On April 21, 2017, 235,000,000 common shares were issued to Machiavelli LTD LLC. The conversion of $8,225 in value was applied to amounts due to the note holder.

On April 11, 2017, 187,500,000 common shares were issued to the holder of a convertible note issued to Mr. Raul Vazquez. The conversion of $5,000 in value was applied to amounts due to the note holder.

On May 2, 2017, 210,000,000 common shares were issued to Machiavelli LTD LLC. The conversion of $7,350 in value was applied to amounts due to the note holder.

On May 5, 2017, 280,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $9,800 in value was applied to amounts due to the note holder.

On May 26, 2017, 207,142,857 common shares were issued to World Market Ventures, LLC. The conversion of $6,000 in value was applied to amounts due to the note holder.

On June 5, 2017, 181,059,123 common shares were issued to World Market Ventures, LLC. The conversion of $10,562 in value was applied to amounts due to the note holder.

On June 12, 2017, 129,310,345 common shares were issued to Beaufort Capital, LLC. The conversion of $7,500 in value was applied to amounts due to the note holder.

On August 15, 2017, 386,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $19,300 in value was applied to amounts due to the note holder.

On October 5, 2017, 251,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $12,575 in value was applied to amounts due to the note holder.

On October 10, 201,7 375,000,000 common shares were issued to JP Carey, LLC. The conversion of $18,750 in value was applied to amounts due to the note holder.

On October 17, 2017, 150,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $7,500 in value was applied to amounts due to the note holder.

On October 25, 2017, 150,000,000 common shares were issued to World Market Ventures, LLC. The conversion of $7,312 in value was applied to amounts due to the note holder.

On October 27, 2017, 253,000,000 common shares were issued to JMJ, LLC. The conversion of $15,180 in value was applied to amounts due to the note holder.

On November 1, 2017, 273,000,000 common shares were issued to JMJ, LLC. The conversion of $15,380 in value was applied to amounts due to the note holder.

On November 3, 2017, 287,000,000 common shares were issued to JMJ, LLC. The conversion of $17,220 in value was applied to amounts due to the note holder.

On November 6, 2017, 485,637,000 common shares were issued to Trillium. The conversion of $24,282 in value was applied to amounts due to the note holder.

On November 6, 2017, 301,000,000 common shares were issued to JMJ, LLC. The conversion of $18.060 in value was applied to amounts due to the note holder.

On November 10, 2017, 251,740,778 common shares were issued to JMJ, LLC. The conversion of $45,313 in value was applied to amounts due to the note holder.

On November 17, 2017, 208,333,333 common shares were issued to JMJ, LLC. The conversion of $25,000 in value was applied to amounts due to the note holder.

On November 17, 2017, 62,714,408 common shares were issued to World Market Ventures, LLC. The conversion of $7,313 in value was applied to amounts due to the note holder.

On December 29, 2017, 62,714,408 common shares were issued to Trillium. The conversion of $7,434 in value was applied to amounts due to the note holder.

THE SECURITIES ISSUED ABOVE WERE ISSUED PURSUANT TO EXEMPTIONS FROM REGISTRATION REQUIREMENTS RELYING ON SECTION 4(A)(2) OF THE SECURITIES ACT OF 1933 AND UPON RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933 AS THERE WAS NO GENERAL SOLICITATION, AND THE TRANSACTIONS DID NOT INVOLVE A PUBLIC OFFERING. THE HOLDERS PROVIDED LEGAL OPINIONS PURSUANT TO RULE 144 PROMULGATED UNDER SECTION 4(A)(1) OF THE SECURITIES ACT AND RULE 144.

NOTE 14- SUBSEQUENT EVENTS

- On April 2, 2018, Matthew J. Arnett resigned as Chief Marketing Officer and as member of the Board of Directors.
- In conjunction with Mr. Arnett's resignation he exchanged all of his Series A Preferred shares (150,000,000) of the Company in exchange for a promissory note.
- On April 5, 2018 Mr. Tony Le acquired 125,000,000 Series A Preferred shares in exchange for consideration valued at $125,000 to be finalized prior to consummation of an anticipated transaction.
- On May 4, 2018 the Company committed in principle for the sale of a controlling interest to ASAMA Vietnam to provide financial support to bring the Company into a fully compliant SEC reporting company. In addition, ASAMA will provide blockchain expertise to the Company. The controlling interest in the Company will come about with the issuance of Series A Preferred stock.

ITEM 6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.

A. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.

- From the 1st quarter 2017 to the end of the 3rd quarter 2017, the company was developing co-working space environments for cannabis entrepreneurs in the United States, providing the necessary framework to grow, market, and sell all cannabis related products. Our aim is to create a sustainable and community driven workspace by providing an affordable, scalable and a safe business environment for our tenants.

  Podwerks spaces will be located in urban designated zones permitting the commercial cultivation, and sales of cannabis related products. Each site will have an average of ten modified steel shipping container pods with an onsite manager overseeing day-to-day operations. Working with local and state agencies, Podwerks container pods will comply with all building code requirements to ensure the safety of our tenants.

  On September of 2017 the company entered into an agreement to build the PODWERKS container in Vietnam with An Nguyen Container International and move the building of POWERKS containers from China to Vietnam, this was done to reduce cost.

NOTES: *Due to the changing cannabis regulations both federal and state by state, the company's board of directors voted to change to a different business model that would give the company a more stable growth and shareholder value.*

- From the middle of the 4th quarter 2017, the company has focused on the global blockchain technology industry and the application of blockchain solutions to real-world environments. The company has interest in various hardware and software blockchain solutions; it has developed a blockchain hardware wallet and is also aggressively finding opportunities to invest or acquire blockchain software development projects worldwide. SANP is developing the use of 3rd generation cryptocurrency proof-of-stake/proof-of-work smart contracts for commercial applications throughout various industries.

- On September 28, 2017 the Company signed a letter of intent "LOI" to merge with Chongqing Yuhuan Technology Co., Ltd., also known as "Canoe Pool". After various negotiations the LOI was converted to a Licensing Agreement on October 28, 2017 this agreement gave the Company the rights to develop an American mining pool and use the name Canoe Pool USA.

EXECUTIVE MANAGEMENT

Franjose Yglesias CEO
Mr. Yglesias has lived and work in China for over 9 years in the hospitality and F&B industry in China. While serving as the CEO of China Food Services, he consulted and strategized for The American Embassy USATO and the Costa Rica Chamber of Commerce "Procomer". He has landed major accounts like Carrefour, Metro, Jinkelong, and Vanguard Hypermarkets and hotel brands such as Shangri-La, Marriot, Renaissances, Holiday Inn and many others.

He started his professional career working in the early 90's with Associated Grocers of Florida, than moved up the corporate ranks to Manager of Telecommunications Latin America Division for Eastman Kodak, where he learned the value of applying his Engineering skills to simplify and automating productivity in the manufacturing and the logistics worldwide divisions of Kodak, he graduated from the University of Costa Rica in 1987 with an Electrical Engineering Degree. In 2001 he Co-Founded Acero Systems, an integration company where his logistical and manufacturing knowledge landed him accounts like Lennar Homes, Del Monte Fresh Produce, and the City of Plantation.

Matthew Arnett CMO
Mr. Arnett is an MBA- Graduate Published Journal of Economics and Science China University Of Economics and Business 2012-2013 China Business Scholar Chinese Government Scholarship Elite Alumni, Ivy League educated with almost over 10 years' experience doing business in China. He has been influential in molding and shaping the event, entertainment and nightlife industry throughout China.

Mr. Arnett has been a producer, strategist and marketing consultant working with clients such as Coca Cola, Mercedes Benz, Hilton, Hyatt, Apple, Swire Group, Marlboro, Chivas, Absoult Vodka, Cohiba Cigars and many others. Involved in some of the most high-profile events in entertainment, both in the China and abroad. Mr. Arnett has produced live events featuring musical performances by today's most popular artists as well as legendary Grammy winners. These artists include Kanye west, Usher, Akon, Pitbull, The Black Eyed Peas, Sean Kingston, Ludacris, 30 Sec to Mars, Grandmaster Flash, Mary J. Blige, John Legend, lil Jon, Fat Joe, Ying Yang Twins and more.

SOCIAL MEDIA

Santo Mining Corp., has and will continue to invest and market the company via Social Medias. Currently the company owns and operates the following social media pages and websites.

B. DATE AND STATE OF INCORPORATION

The Company is Santo Mining Corp. We were formed as a Nevada corporation on July 8th, 2009. On March 19, 2012, the Company changed its name from Santo Pita Corporation to Santo Mining Corp. On July 2015 the Company re-domiciled to the State of Florida as Santo Mining Corp. On April 20, 2017 the Company registered a Fictitious Name "DBA" with the State of Florida as PODWERKS.

C. PRIMARY AND SECONDARY SIC CODES

The Company's primary (and only) SIC 7371

D. THE COMPANY'S FISCAL YEAR END DATE

The Company's fiscal year ends on December 31.

E. PRINCIPAL PRODUCTS OR SERVICES AND THEIR MARKETS

The Company is now focused on the global blockchain technology industry and the application of blockchain solutions to real-world environments. The company has interest in various hardware and software blockchain solutions; it has developed a blockchain hardware wallet and is also aggressively finding opportunities to invest or acquire blockchain software development projects worldwide. The Company is developing the use of 3rd generation cryptocurrency proof-of-stake/proof-of-work smart contracts for commercial applications throughout various industries.

F. RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2017 COMPARED TO THE YEAR ENDED DECEMBER 31, 2016:

Material Changes in Financial Condition

At December 31, 2017, we had a working capital deficit of ($1,512,024), compared to a working capital deficit of ($1,317,530), at December 31, 2016. Company assets as of December 31, 2017 consisted of amounts placed as deposits with vendors funds due from borrowings net of cash deficit of $24,666. At December 31, 2016, current assets consisted accounts receivable net of cash deficit of $102,945 and inventories of $112,652.

At December 31, 2017, total current liabilities increased to $1,536,690 from $1,528,175 at December 31, 2016. The increase was due to increases in Accrued Compensation (officers) and Accrued Interest, partially offset by decreases in Accounts Payable, Convertible Notes Payable, Derivative Liability and Related Party Payable.

The Company does not have sufficient funds to carry out normal operations over the next twelve (12) months. Short and long-term viability is dependent on funding from sales of securities as necessary or from shareholder loans, and thus, to the extent that the Company requires additional funds to support operations or the expansion of business, the Company may attempt to sell additional equity shares or issue debt. Any sale of additional equity securities will result in dilution to existing stockholders. Current capital markets may make it more difficult for to raise additional equity or capital. There can be no assurance that additional financing on acceptable terms, if required, will be available.

Material Changes in Results of Operations

Results of Operations for Year Ended December 31, 2017 and 2016

Revenues and Costs of Goods Sold

Revenues for Year Ended December 31, 2017 and 2016 were $126,702 and $220,200 respectively. The decrease was largely due to run-off of Cathay Lifestyle and Podwerks businesses during the year ended December 31, 2017.

Costs of Goods for Year Ended December 31, 2017 and 2016 were $127,258 and $72,140 respectively. The increase to Cost of Goods for 2017 was due to high initial build out costs for Podwerks and higher promotional expenses for the Cathay Lifestyle products as the Company exited the business.

Operating Expenses

For Year Ended December 31, 2017, operating expenses were $521,676 compared to $393,780 during Year Ended December 31, 2016. The overall increase of $127,896 was due to higher General and Administrative, Advertising and Marketing and Professional fees.

Other Income (Expense) – net:

Other income (expenses) consist primarily of interest expense being higher at ($169,601) in 2017 compared to 2016 ($69,902) as default penalties incurred during 2017 were charged to interest expense. Changes in fair value of derivatives were gains $194,132 (net of losses), due to the large number of conversions of convertible notes resulting in release of the liability. Additionally, beginning August 1, 2017 no derivative liabilities were incurred for new notes issued as ASC 480 no allows certain convertible notes to be treated as stock settled debt rather than treating the conversion option as a derivative separate from the note. The overall net Other Income was $24,531. The lower interest costs in 2016 related to regular interest expenses for the Company's Convertible Notes payable before default penalties were known as conversions were completed in 2017. Changes in fair value of derivative gains were lower in 2016 as there were fewer conversions of convertible notes and therefore lower releases of the liability. The overall net Other Income was (444,735) for the year ended December 31, 2016.

Net (loss)

The net (loss) for Year Ended December 31, 2017 was ($479,700) compared to a net loss of ($290,455) for Year Ended December 31, 2016. This higher loss was largely due to the lower sales and higher costs (associated with exit of Podwerks and Cathay Lifestyle business lines) and higher General and Administrative and Professional fees costs in 2017 compared to 2016.

G. OFF-BALANCE SHEET ARRANGEMENTS

The Company did not engage in any off-balance sheet arrangements during the year ended December 31, 2017.

ITEM 7. DESCRIBE THE ISSUER'S FACILITIES

The Company has office facilities under short-term lease at 3150 NW 107th Ave. Suite 400 Doral, FL 33172 as of December 31, 2017.

ITEM 8. OFFICERS, DIRECTORS AND CONTROL PERSONS

A. NAMES OF OFFICERS, DIRECTORS AND CONTROL PERSONS

The following table and biographical summaries set forth information, including principal occupation and business experience, about our directors and executive officers as of December 31, 2017. There is no familial relationship between or among the nominees, directors or executive officers of the Company.

NAME	AGE	POSITION	OFFICER DIRECTOR SINCE
Franjose Yglesias	53	CEO/Board Chair	2015
Matthew J. Arnett	33	CMO/Board Member	2015

The Company's directors serve in such capacity until the first annual meeting of the Company's shareholders and until their successors have been elected and qualified. The Company's officers serve at the discretion of the Company's board of directors, until their death, or until they resign or have been removed from office.

There are no agreements or understandings for any director or officer to resign at the request of another person and none of the directors or officers is acting on behalf of or will act at the direction of any other person. The activities of each director and officer are material to the operation of the Company. No other person's activities are material to the operation of the Company.

B. LEGAL/DISCIPLINARY HISTORY

Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses):

NO.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities or banking activities:

NO.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated:

NO.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities:

NO.

ITEM 9. THIRD PARTY PROVIDERS

A. Legal Counsel

Tel:

B. Accountant or Auditor

None

C. Investor Relations Consultant

None

D. Other Advisor(s)

None

ITEM 10. OTHER INFORMATION

N/A

ITEM 11. EXHIBITS

N/A

ITEM 12. CERTIFICATIONS

I, Franjose Yglesias, certify that:

1. I have reviewed this annual disclosure statement of Year-End December 31, 2017

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.

Franjose Yglesias
President
Dated: June 18, 2018