THC THERAPEUTICS, INC

(formerly MILLENNIUM BLOCKCHAIN, INC.)

CONSOLIDATED FINANCIAL STATEMENTS (AUDITED)

July 31, 2018

Boyle CPA, LLC
Certified Public Accountant & Consultant

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and
Board of Directors of THC Therapeutics Inc. (formerly Millennium Blockchain, Inc.)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of THC Therapeutics Inc. (formerly Millennium Blockchain, Inc.) (the "Company") as of July 31, 2018, the related consolidated statements of operations, stockholder's deficit, and cash flows for the year ended July 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of July 31, 2018, and the results of its operations and its cash flows for the year ended July 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis of Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to fraud or error. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing and opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

As discussed in Note 2 to the consolidated financial statements, the Company's cumulative net losses raises substantial doubt about its ability to continue as a going concern for one year from the issuance of these financial statements. Management's plans are also described in Note 2. The consolidated financial statements do not include adjustments that might result from the outcome of this uncertainty.

/s/ Boyle CPA, LLC

We have served as the Company's auditor since 2018

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November 14, 2018

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THC THERAPEUTICS INC.
(formerly MILLENNIUM BLOCKCHAIN, INC.)
CONSOLIDATED BALANCE SHEETS
(AUDITED)

ASSETS	July 31, 2018	July 31, 2017
Current assets		
Cash	$ 2,969	$ 187
Prepaid	-	78,765
Total current assets	2,969	78,952
Deposits	-	3,208
Fixed Assets	58,297	78,874
Intangible Assets	28,287	32,612
Rights to Robotcache Coins	2,429,981	-
Total assets	2,519,534	193,646
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accrued liabilities	$ 178,165	$ 82,140
Accrued liabilities due to related parties	7,728	1,120
Advances from related parties	159,566	77,287
Notes payable	76,200	60,000
Convertible Notes payable, net	100,000	22,739
Derivative liability	59,785	146,229
Total current liabilities	581,444	389,515
Total liabilities	581,444	389,515
Stockholders' equity (deficit)		
Common stock; $0.001 par value; 500,000,000 shares authorized; 123,985,891 and 118,778,391 shares issued and outstanding as of July 31, 2018 and July 31, 2017, respectively	130,036	118,778
Preferred stock; $0.001 par value; 10,000,000 shares authorized; 2,165,000 and 2,165,000 series A and B shares issued and outstanding as of July 31, 2018 and July 31, 2017, respectively		
Preferred A stock; $0.001 par value; 3,000,000 shares authorized; 2,000,000 and 2,000,000 shares issued and outstanding as of July 31, 2018 and July 31, 2017, respectively	2,060	2,000
Preferred B stock; $0.001 par value; 165,000 shares authorized; 165,000 and 165,000 shares issued and outstanding as of July 31, 2018 and July 31, 2017, respectively	165	165
Stock payable	190,245	-
Additional paid-in capital	11,009,656	2,937,860
Accumulated deficit	(9,394,072)	(3,254,672)
Total stockholders' equity (deficit)	1,938,090	(195,869)
Total liabilities and stockholders' equity (deficit)	$ 2,519,534	$ 193,646

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

THC THERAPEUTICS INC.
(formerly MILLENNIUM BLOCKCHAIN, INC.)
CONSOLIDATED STATEMENT OF OPERATIONS
(AUDITED)

	For the Years Ended	
	July 31, 2018	July 31, 2017
Revenues	$ -	$ -
Cost of revenues	-	-
Gross profit	-	-
Operating expenses		
Professional fees	62,882	90,168
Compensation	-	5,490
Consulting fees	480,363	39,173
Payroll expense	61,705	-
General and administrative expenses	139,534	78,283
Impairment expense	5,222,000	(197,761)
Depreciation and amortization	25,434	10,491
Total operating expenses	5,991,918	25,844
Loss from operations	(5,991,918)	(25,844)
Other income (expense)		
Gain/(loss) on change in derivative liability	86,444	(81,145)
Gain/(loss) on settlement of debts	(132,234)	202,621
Gain on conveyance of liabilities to a related p	-	79,110
Interest Expense	(101,692)	(164,928)
Total other income (expense)	(147,482)	35,658
Net income (loss)	$ (6,139,400)	$ 9,814
Basic income (loss) per common share	$ (0.05)	$ 0.00
Basic weighted average common shares outstanding	120,547,754	65,922,939

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

MILLENNIUM BLOCKCHAIN, INC.
(formerly THC Therapeutics, Inc.)
CONSOLIDATED STATEMENT OF STOCKHOLDERS DEFICIT
(AUDITED)

	Preferred A Stock		Preferred B Stock		Common Stock		Additional	Stock	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Payable	Deficit	Deficit
Balance, July 31, 2016	**-**	**-**	**-**	**-**	**8,490,391**	**8,490**	**2,482,767**	**-**	**(2,868,964)**	**(377,707)**
Settlement of derivative liabilities	-	-	-	-	-	-	62,513		-	62,513
Beneficial conversion feature on convertible debt	-	-	-	-	-	-	134,557		-	134,557
Shares and warrants issued to acquire assets	2,000,000	2,000	120,000	120	100,000,000	100,000	87,556		-	189,676
Warrants issued as financing fee	-	-	-	-	-	-	-		-	-
Shares issued on conversion of debts	-	-	-	-	10,000,000	10,000	-		-	10,000
Preferred shares issued for settlement of debts	-	-	45,000	45	-	-	44,955		-	45,000
Imputed interest	-	-	-	-	-	-	658		-	658
Shares issued for services	-	-	-	-	288,000	288	124,854		-	125,142
Net loss	-	-	-	-	-	-	-		(385,708)	(385,708)
Balance, July 31, 2017	**2,000,000**	**2,000**	**165,000**	**165**	**118,778,391**	**118,778**	**2,937,860**	**-**	**(3,254,672)**	**(195,869)**
Shares for services	-	-	-	-	257,500	258	148,905	65,813	-	214,976
Shares issued for cash investments	-	-	-	-	-	-	-	65,000	-	65,000
Imputed interest	-	-	-	-	-	-	2,791	-	-	2,791
Debt discount	-	-	-	-	-	-	7,590	-	-	7,590
Shares issued for settlement of debt	-	-	-	-	-	-	106,275	59,432	-	165,707
Shares issued for equity investments	-	-	-	-	2,500,000	2,500	1,561,500	-	-	1,564,000
Shares issued for investments in coin offerings	60,000	60	-	-	8,500,000	8,500	6,079,421	-	-	6,087,981
Warrants for services	-	-	-	-	-	-	165,314	-	-	165,314
Net loss	-	-	-	-	-	-	-	-	(6,139,400)	(6,139,400)
Balance, July 31, 2018	**2,060,000**	**2,060**	**165,000**	**165**	**130,035,891**	**130,036**	**11,009,656**	**190,245**	**(9,394,072)**	**1,938,090**

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

THC THERAPEUTICS INC.
(formerly MILLENNIUM BLOCKCHAIN, INC.)
CONSOLIDATED STATEMENT OF CASHFLOWS
(AUDITED)

	For the Years Ended	
	July 31, 2018	July 31, 2017
Cash Flows from Operating Activities		
Net loss	$ (6,139,400)	$ (385,708)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Gain on conveyance of assets and liabilities to a related party	-	(79,110)
Loss on impairment of assets	5,222,000	198,419
Loss on change in derivative liabilities	(86,444)	81,145
Amortization of original issue discount	7,500	-
Amortization of debt discount	69,761	155,820
Stock based compensation	466,645	46,377
Depreciation and amortization	25,434	10,491
Inputed interest	2,791	-
Loss (gain) on settlement of debts	132,234	(197,761)
Changes in assets and liabilities		
(Increase) decrease in deposits	3,208	(3,208)
Increase (decrease) in accounts payable	99,498	3,032
Increase (decrease) in accounts payable related party	6,608	18,832
Net cash from operating activities	(190,165)	(151,671)
Cash Flows from investing		
Purchase of fixed assets	(532)	(20,000)
Purchase of intangible assets	-	(5,062)
Net cash used in investing activities	(532)	(25,062)
Cash Flows from Financing Activities		
Proceeds from sale of common stock and warrants	65,000	-
Proceeds from related party debts	186,660	134,113
Payments on related party debts	(104,381)	(49,938)
Proceeds from loans	58,000	-
Payments on loans	(11,800)	-
Proceeds from convertible debts	-	92,500
Net cash from financing activities	193,479	176,675
Net increase (decrease) in Cash	2,782	(58)
Beginning cash balance	187	245
Ending cash balance	$ 2,969	$ 187
Supplemental disclosure of cash flow information		
Cash paid for interest	$ -	$ -
Cash paid for tax	$ -	$ -
Non-Cash investing and financing transactions		
Beneficial conversion feature	$ -	$ 134,557
Shares and warrants issued for investments	$ 7,651,981	
Shares issued to settle debt	$ 165,707	$ 10,000

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

1. DESCRIPTION OF BUSINESS AND HISTORY

Description of business – THC Theraputics, Inc., (referred to as the "Company") is focused developing their patent-pending product, the dHydronator®, a sanitizing herb dryer. The main function of the dHydronator is to greatly accelerate the drying time of a herb while sanitizing it. The dHydronator can be used to dry a variety of herbs, it has been specifically tested for use with cannabis, and it will reduce the drying time for cannabis from 10-14 days to less than 14 hours.

The Company is also focusing some of its operations on participation in testing facilities and developing personal wellness centers, as well as investigating other potentially disruptive technologies including blockchain technologies and crypto-assets focused on financial markets, healthcare, crypto-mining and high-technology.

History – The Company was incorporated in the State of Nevada on May 1, 2007, as Fairytale Ventures, Inc., and later changed its name to Aviation Surveillance Systems, Inc. and Harmonic Energy, Inc. On January 23, 2017, the Company changed its name to THC Therapeutics, Inc.

On May 30, 2017, the Company formed Genesis Float Spa LLC, a wholly-owned subsidiary, to market its float spa assets purchased for wellness centers. The Company's health spa plans are part of the Company's strategic focus on revenue generation and creating shareholder value.

On January 17, 2018, the Company changed its name to Millennium Blockchain Inc.

On September 28, 2018, the Company changed its name back to THC Therapeutics, Inc.

THC Therapeutics, Inc., together with its subsidiaries, shall herein be collectively referred to as the "Company."

2. BASIS OF PRESENTATION AND GOING CONCERN

Basis of Presentation – The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Going Concern – The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred cumulative net losses of $9,416,789 since its inception and requires capital for its contemplated operational and marketing activities to take place. The Company's ability to raise additional capital through the future issuances of common stock is unknown. The obtainment of additional financing, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

3. SUMMARY OF SIGNIFICANT POLICIES

This summary of significant accounting policies of THC Therapeutics, Inc . is presented to assist in understanding the Company's consolidated financial statements. The consolidated financial statements and notes are representations of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

Principles of Consolidation – The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated.

Use of Estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include estimates used to review the Company's goodwill, impairments and estimations of long-lived assets, revenue recognition on percentage of completion type contracts, allowances for uncollectible accounts, inventory valuation, and the valuations of non-cash capital stock issuances. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Company considers all highly liquid investments and short-term instruments with original maturities of three months or less to be cash equivalents. There are $2,969 and $187 in cash and cash equivalents as of July 31, 2018, and July 31, 2017, respectively.

Concentration Risk – At times throughout the year, the Company may maintain cash balances in certain bank accounts in excess of FDIC limits. As of July 31, 2018, the cash balance in excess of the FDIC limits was $0. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in these accounts.

Fair Value of Financial Instruments – The carrying amounts reflected in the balance sheets for cash, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items.

As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Revenue Recognition:

Product Sales – Revenues from the sale of products are recognized when title to the products are transferred to the customer and only when no further contingencies or material performance obligations are warranted, and thereby have earned the right to receive reasonably assured payments for products sold and delivered.

Costs of Revenue – Costs of revenue includes raw materials, component parts, and shipping supplies. Shipping and handling costs is not a significant portion of the cost of revenue.

Goodwill and Intangible Assets – The Company follows Financial Accounting Standard Board's (FASB) Codification Topic 350-10 ("ASC 350-10"), "*Intangibles – Goodwill and Other.*" According to this statement, goodwill and intangible assets with indefinite lives are no longer subject to amortization, but rather an annual assessment of impairment by applying a fair-value based test. Fair value for goodwill is based on discounted cash flows, market multiples and/or appraised values as appropriate. Under ASC 350-10, the carrying value of assets are calculated at the lowest level for which there are identifiable cash flows.

Long-Lived Assets – In accordance with the Financial Accounting Standards Board ("FASB") Accounts Standard Codification (ASC) ASC 360-10, "Property, Plant and Equipment," the carrying value of intangible assets and other long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value. During the year ended July 31, 2018 and 2017 the Company recorded an impairment expense of $5,222,000 and $0, respectively.

Segment Reporting – Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker, or decision-making group, in deciding the method to allocate resources and assess performance. The Company currently has one reportable segment for financial reporting purposes, which represents the Company's core business.

Income Taxes – The Company accounts for its income taxes in accordance with FASB Codification Topic ASC 740-10, "*Income Taxes*", which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Stock-Based Compensation – The Company follows the guidelines in FASB Codification Topic ASC 718-10 "*Compensation-Stock Compensation*", which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to an Employee Stock Purchase Plan based on the estimated fair values.

Stock based compensation expense recognized under ASC 718-10 for the years ended July 31, 2018 and 2017, totaled $417,645 and $46,377, respectively.

Earnings (Loss) Per Share – The Company reports earnings (loss) per share in accordance with FASB Codification Topic ASC 260-10 "*Earnings Per Share*." Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since the effect of the assumed exercise of options and warrants to purchase common shares (common stock equivalents) would have an anti-dilutive effect.

Advertising Costs – The Company's policy regarding advertising is to expense advertising when incurred. The Company incurred advertising expenses of $28,383 and $13,726 during the years ended of July 31, 2018 and 2017, respectively.

Recently Issued Accounting Pronouncements – The Company has evaluated the all recent accounting pronouncements through ASU 2018-18 and believes that none of them will have a material effect on the Company's financial position, results of operations or cash flows.

4. FIXED ASSETS

Fixed assets consist of the following as of July 31, 2018, and July 31, 2017:

	July 31, 2018	July 31, 2017
dHydronator prototype	$ 27,100	$ 27,100
Float Spa and associated equipment	60,000	60,000
Office furniture and equipment	532	-
Less: accumulated depreciation	(29,335)	(8,226)
Fixed assets, net	$ 58,297	$ 78,874

Depreciation expense for the years ended July 31, 2018 and 2017, was $21,109 and $8,226, respectively.

5. INTANGIBLE ASSETS

Intangible assets consist of the following as of July 31, 2018, and July 31, 2017:

	July 31, 2018	July 31, 2017
Patents and patents pending	$ 18,505	$ 18,505
Trademarks	1,275	1,275
Website and domain names	15,098	15,098
Less: accumulated depreciation	(6,590)	(2,265)
Intangible assets, net	$ 28,287	$ 32,612

Amortization expense for the years ended July 31, 2018, and 2017, was $4,325 and $2,265, respectively.

6. RIGHTS TO BURST IQ TOKENS

On March 31, 2018, the Company entered into a Simple Agreement for Future Tokens (the "SAFT") with BurstIQ Analytics Corporation, a Colorado corporation ("BurstIQ"). Pursuant to the SAFT, the Company purchased the right to a number of BIQ tokens equal to $2,500,000 divided by a 35% discount to the maximum price per token sold by BurstIQ to the public during a network launch, in consideration of the issuance of 2,500,000 shares of the Company's common stock to BurstIQ at a deemed value of $2,500,000.

In accordance with ASC 820, the Company valued its investment in rights to Burst IQ tokens based upon the unadjusted quoted prices of its common stock issued as consideration on the execution date of the agreement and determined the value to be $0.6256 per share or $1,564,000. The investment was recorded at cost basis. It was anticipated that when the tokens are issued that there will be an active market for the tokens. If the market exists as originally anticipated, the Company intends to, so long as it is permitted by law, strategically sell the tokens at opportune times that will create value for its shareholders.

As of July 31, 2018, the Company performed an impairment analysis of the carrying value of its rights to Burst IQ tokens. As part of its impairment analysis, the Company determined that the deadline for the network launch to occur pursuant to the SAFT had passed, and the Company was unable to determine with a degree of certainty whether the tokens would be issued, and if they were going to be issued, the timing and value of the tokens to be received. As a result of the uncertainty, the Company deemed the rights to Burst IQ tokens to be impaired as of July 31, 2018 and recorded an impairment of $1,564,000.

7. RIGHTS TO BURST IQ EQUITY

On March 31, 2018, the Company entered into a Simple Agreement for Future Equity (the "SAFE") with BurstIQ. Pursuant to the SAFE, the Company purchased the right to a number shares of Burst IQ's preferred stock sold in a subsequent equity financing equal to $2,500,000 divided by a deemed $6.50 price per share, in consideration of the issuance of 2,500,000 shares of the Company's common stock to BurstIQ.

In accordance with ASC 820, the Company valued its investment in rights to Burst IQ preferred stock based upon the unadjusted quoted prices of its common stock issued as consideration on the execution date of the agreement and determined the value to be $0.6256 per share or $1,564,000. When the equity in Burst IQ is issued, the Company plans to hold the equity as a long-term investment.

As of July 31, 2018, the Company performed an impairment analysis of the carrying value of the its right to Burst IQ equity. As part of its impairment analysis, the Company attempted to determine the date of a triggering equity financing. The Company was unable to determine with a degree of certainty when an equity financing would occur, and the timing and value of any BurstIQ equity that the Company would potentially receive. As a result of the uncertainty, the Company deemed the rights to Burst IQ equity to be impaired as of July 31, 2018 and recorded an impairment of $1,564,000.

8. IMPACT PPA – RIGHTS TO COINS AND EQUITY

On June 14, 2018, the Comapny issued 60,000 shares of the Company's Series A Preferred Stock, with each share convertible into 100 shares of the Company's common stock, to ImpactPPA Limited, a Bahamian company ("ImpactPPA"). In exchange, the Company received the right to $4,500,000 of ImpactPPA's MPQ tokens and the right to purchase a 3% equity stake in ImpactPPA within four months of the closing date of this transaction.

In accordance with ASC 820, the Company valued its investment in rights to Impact PPA's coins and equity based upon the unadjusted quoted prices of its common stock on the execution date of the agreement to which the preferred stock issued as consideration is convertible, and determined the value to be $0.349 per common share or $34.90 per preferred share or $2,094,000. The investment was recorded at cost basis.

Tokens
It is anticipated that when the Impact PPA tokens are issued that there will be an active market for the tokens. If the market exists as originally anticipated, the Company intends, so long as permitted by law, to strategically sell the tokens at opportune times that will create value for its shareholders.

Equity
When the equity in Impact PPA is issued the Company plans to hold the equity as a long-term investment.

As of July 31, 2018, the Company performed an impairment analysis of the carrying value of the its right to Impact PPA tokens and equity. As part of its impairment analysis the Company requested confirmation of the dates of offering of the Impact PPA tokens per the rights agreements held by the Company. The Company's rights to acquire equity of ImpactPPA expired on or about October 14, 2018. As of the date of this filing the Company has not received the tokens or equity of Impacct PPA. The Company was unable to determine with a degree of certainty whether the tokens would be issued, and if they were going to be issued, the timing and value of the tokens to be received. As a result of the uncertainty the Company deemed the rights to Impact PPA tokens and equity to be impaired as of July 31, 2018 and recorded an impairment of $2,094,000.

9. ROBOT CACHE – RIGHTS TO TOKENS AND EQUITY

On July 31, 2018, the Company entered into a Common Stock Purchase Agreement with and closed on (i) the purchase of rights to 10,536,315 "IRON" cryptographic tokens of Robot Cache, S.L., a Spanish limited company ("Robot Cache"), and (ii) a right of first refusal to purchase up to 3% of the capital stock of Robot Cache in a subsequent equity financing, in consideration of the Company's issuance of 6,000,000 shares of the Company's common stock to Robot Cache, and non-cashless warrants to purchase 3,000,000 shares of the Company's common.

These non-cashless warrants are exercisable through the earlier of July 31, 2021, and the date that is 30 days after the date that the 5-day volume-weighted average price of the Company's common stock exceeds the exercise price for the warrants by 25%. The exercise price for the warrants is staggered as follows: 500,000 shares at $0.75/share, 500,000 shares at $1.00/share, 500,000 shares at $1.50/share, 500,000 shares at $2.00/share, and 1,000,000 shares at $5.00/share.

In accordance with ASC 820, the company valued its investment in rights to Robot Cache's tokens and equity based upon the unadjusted quoted prices of its common stock and the fair value of the warrants issued as consideration on the execution date of the agreement. The Company determined the value of the shares issued as consideration to be $0.28 per common share or $1,680,000. The stock warrants were valued at $749,981 using the Black-Scholes option pricing model. The valuation was made using the following assumptions: stock price at grant: $0.28; exercise prices: from $0.75 to $5.00 per share; term: 3 years; risk-free interest rate: 2.77%; and volatility: 232%.

The investment was recorded at cost basis and on the date of the investment. As of July 31, 2018, the Company conducted an impairment analysis and found that there was no indication that the investment was impaired. The Company will conduct its impairment analysis on an annual basis or at any time there is evidence that the value has been impaired more than temporarily. As of the date of this filing the Company has not received the tokens or equity in Robot Cache but based on the information available to the Company believes that it will receive the tokens, and will be able to exercise its rights of first refusal to purchase Robot Cache equity in the first calendar quarter of 2019.

Tokens

It is anticipated that when the Robot Cache tokens are issued that there will be an active market for the coins. If the market exists as anticipated, the Company intends to, so long as permitted by law, strategically sell the coins at opportune times that will create value for its shareholders.

Equity

If the Company exercises its right of first refusal to purchase Robot Cache equity, the Company plans to hold the equity as a long-term investment.

10. ADVANCES FROM RELATED PARTIES

Our Chief Executive Officer and a shareholder, a relative of our Chief Executive Officer, have agreed to advance funds to the Company from time to time to support the ongoing operations of the Company. The advances are due within ten (10) days of demand and bear interest at 5% annually.

Advances from related parties consist of the following as of July 31, 2018:

	Principal as of July 31, 2017	Years ending July 31, 2018		Principal as of July 31, 2018	Accrued interest balance As of July 31, 2018
		Funds advanced	Funds repaid		
B. Romanek, President and CEO	$71,262	$114,072	$89,311	$96,023	$6,297
Shareholder Relative of our President and CEO	$6,025	72,588	15,070	63,543	1,431
TOTAL	$77,287	$186,660	$104,381	$159,566	$7,728

11. RELATED PARTY TRANSACTIONS

On November 1, 2017, we entered into an employment agreement with Brandon Romanek, our Chief Executive Officer. In accordance with this agreement, Mr. Romanek provided services to the Company in exchange for $78,000 per year plus vacation and bonuses as approved annually by the board of directors, as well as reimbursement of expenses incurred. During the years ending July 31, 2018, the Company accrued $61,705 due to Mr. Romanek related to this agreement. As of July 31, 2018, Mr. Romanek allowed the Company to defer all compensation related to his employment totaling $61,705.

12. NOTES PAYABLE

Notes Payable at consists of the following:	July 31, 2018	July 31, 2017
On May 12, 2017, the Company issued a $60,000 promissory note; the note carries no interest rate and is payable in monthly installments of $5,000. As of July 31, 2018, $11,800 in principal payments had been paid. The Company imputed interest at a rate of 5%, during the year ending July 31, 2018 the Company recorded	48,200	60,000

imputed interest of $2,728.		
On July 3, 2018, the Company issued a $28,000 promissory note; the note carries an interest rate of 12% and is payable in 24 monthly installments of $1,307 beginning November 1, 2018. During the year ending July 31, 2018 the Company recorded accrued interest of $258.	28,000	-
Total	76,200	60,000

On October 13, 2017, we entered into a promissory note pursuant to which we borrowed $30,000. Interest under the promissory note was 25% per annum, and the principal and all accrued interest was due in four equal quarterly payments of $9,375. On March 31, 2018, the Company entered into an agreement to settle all outstanding principal and interest due under the promissory note totaling $33,473. Under the terms of the agreement the Company issued 95,000 shares and 195,000 3-year, warrants with a strike price of $2.00 and received an unconditional release of all liability under the promissory note. The shares and warrants were fair valued at $165,707 on the date of issuance, and a loss on settlement of debt of $132,234 was recoded as a result of the settlement agreement.

13. CONVERTIBLE NOTES PAYABLE

Convertible Notes Payable at consists of the following:	July 31, 2018	July 31, 2017
On May 9, 2017, we entered into a convertible promissory note pursuant to which we borrowed $92,500. The note carries an original issue discount of 7.5% ($7,500). Interest under the convertible promissory note is 6% per annum, and the principal and all accrued but unpaid interest is due on May 9, 2018. The note is convertible at any date after the issuance date at the noteholder's option into shares of our common stock at a variable conversion price of 65% of the lowest closing market price of our common stock during the previous 20 days to the date of the notice of conversion. The Company recorded a debt discount in the amount of $92,500 in connection with the initial valuation of the derivative liability of the Note to be amortized utilizing the effective interest method of accretion over the term of the Note. Further, the Company recognized a derivative liability of $170,560 and an initial loss of $78,060 based on the Black-Scholes pricing model.		
The aggregate issue discount feature has been accreted and charged to interest expenses as a financing expense in the amount of $78,966 and $21,034 during the years ended July 31, 2018 and 2017, respectively.	92,500	92,500
Original issue discount	7,500	7,500
Unamortized debt discount	-	(77,261)
Total, net of unamortized discount	100,000	22,739
Total	$ 100,000	$ 22,739

Derivative liability

The Company accounts for the fair value of the conversion features of its convertible debt in accordance with ASC Topic No. 815-15 "Derivatives and Hedging; Embedded Derivatives" ("Topic No. 815-15"). Topic No. 815-15 requires the Company to bifurcate and separately account for the conversion features as an embedded derivative contained in the Company's convertible debt. The Company is required to carry the embedded derivative on its balance sheet at fair value and account for any unrealized change in fair value as a component of results of operations. The Company values the embedded derivatives using the Black-Scholes pricing model.

The following table presents a summary of the Company's derivative liabilities associated with its convertible notes as of July 31, 2017, and July 31, 2018:

	Amount
Balance July 31, 2016	$ 67,376

Debt discount originated from derivative liabilities	50,383
Initial loss recorded	89,739
Adjustment to derivative liability due to debt settlement	(62,513)
Change in fair market value of derivative liabilities	1,244
Balance July 31, 2017	$ 146,229
Debt discount originated from derivative liabilities	-
Initial loss recorded	-
Adjustment to derivative liability due to debt settlement	-
Change in fair market value of derivative liabilities	(86,444)
Balance July 31, 2018	$ 59,785

The Black-Scholes model utilized the following inputs to value the derivative liabilities at the date of issuance of the convertible note and at July 31, 2018:

Fair value assumptions – derivative notes:	**Date of issuance**	**July 31, 2018**
Risk free interest rate	1.14 %	2.44 %
Expected term (years)	1.00	0.01
Expected volatility	433.18 %	232.28 %
Expected dividends	0	0 %

14. STOCK WARRANTS

The following is a summary of warrant activity during the years ended July 31, 2017, and the years ended July 31, 2018:

	Number of Shares	Weighted Average Exercise Price
Balance, July 31, 2016	-	$ -
Warrants granted and assumed	125,000	$ 1.00
Warrants expired	-	-
Warrants canceled	-	-
Warrants exercised	-	-
Balance, July 31, 2017	125,000	$ -
Warrants granted and assumed	3,842,500	$ 2.16
Warrants expired	-	-
Warrants canceled	-	-
Warrants exercised	-	-
Balance, July 31, 2018	3,967,500	$ 2.13

3,967,500 of the warrants outstanding as of July 31, 2018 were exercisable.

On May 9, 2017, the Company issued stock warrants to purchase 100,000 shares of its common stock to a lender as part of a financing agreement. The warrants have a strike price of $0.75. The stock warrants were exercisable six-months from grant and have a life of 3 years. The stock warrants were valued at $51,050 using the Black-Scholes option pricing model. The Company recorded an expense of $50,050 for the year ended July 31, 2017. The valuation was made using the following assumptions: stock price at grant: $0.51; exercise price: $0.75; term: 3 years; risk-free interest rate: 1.57%; volatility: 434%.

On May 12, 2017, the Company issued stock warrants to purchase 25,000 shares of its common stock as part of an asset purchase agreement. The warrants have a strike price of $2.00. The stock warrants were exercisable six-months from grant and have a life of 3 years. The stock warrants were valued at $12,761 using the Black-Scholes option pricing model. The valuation was made using the following assumptions: stock price at grant: $0.51; exercise price: $2.00; term: 3 years; risk-free interest rate: 1.49%; volatility: 434%.

On October 13, 2017, the Company issued stock warrants to purchase 30,000 shares of its common stock to a lender in connection with a financing agreement. The warrants have a strike price of $2.00. The stock warrants were exercisable immediately upon grant and have a life of 3 years. The stock warrants were valued at $8,467 using the Black-Scholes option pricing model. The valuation was made using the following assumptions: stock price at grant: $0.34; exercise price: $2.00; term: 3 years; risk-free interest rate: 1.64%; volatility: 434%.

On March 5, 2018, the Company received $25,000 from an investor pursuant to a private placement agreement with the investor to purchase 62,500 shares of the Company's common stock and 62,500 warrants to purchase shares of the Company's common stock at $2.00 per shares for a period of three years. If the Company's common stock has closed for 20 consecutive trading days above $3.00 per shares the investor must exercise the warrant within 30 days.

On March 31, 2018, the Company and a lender agreed to settle a $30,000 promissory note and associated accrued interest of $3,473. The Company agreed to issue 95,000 shares of the Company's common stock and warrants to purchase 195,000 shares of the Company's common stock at $2.00 for a three-year term. In return for the consideration the Lender agreed to release the Company from all amounts owed.

On April 6, 2018, the Company received $40,000 from an investor pursuant to a private placement agreement with the investor to purchase 100,000 shares of the Company's common stock and 250,000 warrants to purchase shares of the Company's common stock at $2.00 per shares for a period of five years.

On June 30, 2018, the Company engaged a consultant for business advisory services. The Consultant was issued 2-year cashless warrants to purchase 500,000 shares of the company's common stock for $0.01 per share.

On July 31, 2018, the Company entered into a Common Stock Purchase Agreement with and closed on (i) the purchase of rights to 10,536,315 "IRON" cryptographic tokens of Robot Cache, S.L., a Spanish limited company ("Robot Cache"), and (ii) a right of first refusal to purchase up to 3% of the capital stock of Robot Cache in a subsequent equity financing, in consideration of the Company's issuance of 6,000,000 shares of the Company's common stock to Robot Cache, and non-cashless warrants to purchase 3,000,000 shares of the Company's common. The Warrants are exercisable through the earlier of July 31, 2021, and the date that is 30 days after the date that the 5-day volume-weighted average price of the Company's common stock exceeds the exercise price for the Warrants by 25%. The exercise price for the Warrants is staggered as follows: 500,000 shares at $0.75/share, 500,000 shares at $1.00/share, 500,000 shares at $1.50/share, 500,000 shares at $2.00/share, and 1,000,000 shares at $5.00/share. (See note 9 for additional details)

15. INCOME TAXES

The Company provides for income taxes under FASB ASC 740, Accounting for Income Taxes. FASB ASC 740 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect currently.

FASB ASC 740 requires the reduction of deferred tax assets by a valuation allowance, if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset is $1,709,774 which is calculated by multiplying a 20% estimated tax rate by the cumulative net operating loss (NOL) adjusted for the following items:

The components of the Company's deferred tax asset as of July 31, 2018 and 2018 are as follows:

	For the period ended July 31,	
	2018	**2017**
Book loss for the year	$ (6,139,400)	$ (336,344)
Adjustments:		
Non-deductible portion of meals and entertainment	6,339	2,987
Non-deductible portion of stock compensation	466,645	46,377
Non-deductible penalties	—	—
Tax loss for the year	(5,666,416)	(336,344)
Estimated effective tax rate	20%	20%
Deferred tax asset	$ (1,133,283)	$ (67,269)

As of July 31,		
	2018	**2017**
Deferred tax asset	$ 1,695,430	$ 562,147
Valuation allowance	(1,695,430)	(562,147)
Current taxes payable	—	—
Income tax expense	$ —	$ —

Below is a chart showing the total estimated corporate federal net operating loss (NOL) and the year in which it will expire.

Year		Amount	Expiration
2018	$	5,666,416	2038
2017		336,344	2037
2016		91,998	2036
2015		284,299	2035
2014		576,046	2034
2013		1,133,126	2033
2012		241,552	2032
2011		24,772	2031
2010		37,864	2030
2009		68,873	2029
2008		15,709	2028
2007		153	2027
Total	$	8,477,152	

The Company plans to file its U.S. federal return for the year ended July 31, 2018 upon the issuance of this filing. The tax years 2014-2018 remained open to examination for federal income tax purposes by the major tax jurisdictions to which the Company is subject. No tax returns are currently under examination by any tax authorities.

13. SHAREHOLDERS' DEFICIT

Overview

The Company's authorized capital stock consists of 500,000,000 shares of $0.001 par value common stock and 10,000,000 shares of $0.001 par value preferred stock.

As of July 31, 2018, and July 31, 2017, the Company had 129,985,891 and 118,778,391 shares of common stock issued and outstanding, respectively.

As of July 31, 2018, and July 31, 2017, the Company had 2,060,000 and 2,000,000 shares of Series A Preferred Stock issued and outstanding, respectively.

As of July 31, 2018, and July 31, 2017, the Company had 165,000 and 165,000 shares of Series B Preferred Stock issued and outstanding, respectively.

On January 23, 2017, the Company increased its number of authorized shares of common stock from 100,000,000 to 500,000,000, and authorized 10,000,000 shares of preferred stock, with the Company's board of directors having authority to designate the rights and preferences of each series of preferred stock.

Series A Preferred Stock

On January 24, 2017, pursuant to Article III of our Articles of Incorporation, the Company designated a class of preferred stock, the "Series A Preferred Stock," consisting of three million (3,000,000) shares, par value $0.001.

Under the Certificate of Designation, holders of the Series A Preferred Stock are entitled at their option to convert their preferred shares into common stock at a conversion rate of one hundred (100) shares of common stock for every one (1) share of Series A Preferred Stock. The holders are further entitled to vote together with the holders of the Company's common stock on all matters submitted to shareholders at a rate of one hundred (100) votes for each share held. The holders are entitled to equal rights with our common stockholders as it relates to liquidation preference.

Series B Preferred Stock

On May 12, 2017, pursuant to Article III of our Articles of Incorporation, the Company designated a class of preferred stock, the "Series B Preferred Stock," consisting of up to one hundred twenty thousand (120,000) shares, par value $0.001. On June 5, 2017, the Company amended the designation to increase the number of shares of Series B Preferred Stock to one hundred sixty-five thousand (165,000) shares, par value $0.001.

Under the Certificate of Designation, as amended, holders of Series B Preferred Stock are entitled to a liquidation preference on the stated value of $1.00 per share. The shares carry a mandatory conversion provision, and all shares of Series B Preferred Stock will be redeemed by the Company one year from issuance, at a variable conversion rate equal to the stated price of $1.00 divided by the prior day's closing price as quoted on OTC Markets. Holders of Series B Preferred Stock are not entitled to any voting or dividend rights.

Issuances of Common and Preferred Stock for the years ended July 31, 2018

On August 10, 2017, the Company issued 5,000 shares of common stock to a consultant for services rendered. The shares were fair valued at $1,740 at the date of grant.

On August 28, 2017, the Company issued 2,500 shares of common stock to a consultant for services rendered. The shares were fair valued at $973 at the date of grant.

On February 15, 2018, the Company agreed to issue 150,000 shares of common stock to a consultant for services rendered. The shares were fair valued at $102,000 ($0.68 per share) and deemed fully earned at the date of grant.

On November 27, 2017, the Company agreed to issue 50,000 shares of common stock to a consultant for services rendered. The shares were fair valued at $13,000 and deemed fully earned at the date of grant.

On March 31, 2018, the Company issued of 5,000,000 shares of the Company's common stock to BurstIQ in accordance with a SAFE and SAFT agreement. (See Note 6 and Note 7 for additional details.)

On April 10, 2018, the Company agreed to issue 50,000 shares of common stock to a consultant. The shares were fair valued at $31,450 at the date of grant. The shares vested immediately upon issuance.
On June 14, 2018 the Company issued 60,000 shares of the Company's Series A Preferred Stock, with each share convertible into 100 shares of the Company's common stock, to ImpactPPA Limited, a Bahamian company ("ImpactPPA"). In exchange, the Company received the right to $4,500,000 of ImpactPPA's MPQ tokens and the right to purchase a 3% equity stake in ImpactPPA within four months of the closing date of this transaction. (See Note 8 for additional details.)

On July 31, 2018, the Company entered into a Common Stock Purchase Agreement with and closed on (i) the purchase of rights to 10,536,315 "IRON" cryptographic tokens of Robot Cache, S.L., a Spanish limited company ("Robot Cache"), and (ii) a right of first refusal to purchase up to 3% of the capital stock of Robot Cache in a subsequent equity financing, in consideration of the Company's issuance of 6,000,000 shares of the Company's common stock to Robot Cache, and non-cashless warrants to purchase 3,000,000 shares of the Company's common. (See Note 9 for additional details.)

Common Stock Payable for the years ended July 31, 2018

On December 16, 2017, the Company agreed to issue 165,000 shares of common stock to a consultant. The shares were fair valued at $48,263 at the date of grant. The shares vest as follows: 100,000 shares vest on January 1, 2018; 25,000 shares vest upon completion of the audit of the fiscal years ending July 31, 2017 and 2016; 12,500 shares vest upon completion of the review of the Company's financial statements for the quarter ending October 31, 2017; 12,500 shares vest upon completion of the January 31, 2018 review; and 12,500 shares vest upon filing of the Company's April 30, 2018 review. As of July 31, 2018, the shares had not yet been issued.

On March 5, 2018, the Company received $25,000 from an investor pursuant to a private placement agreement with the investor to purchase 62,500 shares of the Company's common stock and 62,500 warrants to purchase shares of the Company's common stock at $2.00 per shares for a period of three years. If the Company's common stock has closed for 20 consecutive trading days above $3.00 per shares the investor must exercise the warrant within 30 days. As of July 31, 2018, the shares had not yet been issued.

On March 31, 2018, the Company and a lender agreed to settle a $30,000 promissory note and associated accrued interest of $3,473. The Company agreed to issue 95,000 shares of the Company's common stock and warrants to purchase 195,000 shares of the Company's common stock at $2.00 for a three-year term. In return for the consideration the Lender agreed to release the Company from all amounts owed. As of July 31, 2018, the shares had not yet been issued.

On April 6, 2018, the Company received $40,000 from an investor pursuant to a private placement agreement with the investor to purchase 100,000 shares of the Company's common stock and 250,000 warrants to purchase shares of the Company's common stock at $2.00 per shares for a period of five years. As of July 31, 2018, the shares had not yet been issued.

On June 1, 2018, the Company agreed to issue 50,000 shares of common stock to a consultant. The shares were fair valued at $17,550 at the date of grant. The shares vested immediately upon issuance. As of July 31, 2018, the shares had not yet been issued.

14. COMMITMENTS AND CONTINGENCIES

The Company does not own any real property. It does own personal property, and it leases office space on a month-to-month basis. There is no obligation for this arrangement to continue.

15. SUBSEQUENT EVENTS

In accordance with ASC Topic 855-10, the Company has analyzed its operations subsequent to July 31, 2018 to the date these financial statements were available to be issued and has determined that it does not have any material subsequent events to disclose in these financial statements other than the events described below.

On August 27, 2018, the Company agreed to issue 10,000 shares of the Company's Series A Preferred Stock to a consultant for services rendered. The shares were deemed fully earned at the date of grant. In accordance with ASC 820, the Company valued the shares issued based upon the unadjusted quoted prices of its common stock on the execution date of the agreement to which the preferred stock issued as consideration are convertible and determined the value to be $0.3148 per common share or $31.48 per preferred share or $314,800.