AMFIL TECHNOLOGIES INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018
and June 30, 2017 (Restated)

AMFIL Technologies, Inc. and Subsidiaries

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
AMFIL Technologies, Inc. and Subsidiaries

Opinion on the Consolidated Financial Statements

We have audited the accompanying balance sheets of AMFIL Technologies, Inc. and Subsidiaries (collectively, the "Company") as of June 30, 2018 and June 30, 2017 (as Restated), and the related statements of operations and comprehensive loss, stockholders' deficit and cash flows for the years ended June 30, 2018 and June 30, 2017 (as Restated) in conformity with accounting principles generally accepted in the United States of America.

Restatement of Previously Issued Financial Statements

As discussed in Note 3 to the consolidated financial statements, the Company has restated its June 30, 2017 consolidated financial statements to correct misstatements related to revenue recognition, inventory, cost of sales and accounts payable.

The Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in the Note 2 to the accompanying financial statements, the Company has a working capital deficit and has incurred an accumulated deficit. These raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. 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 the 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 the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. 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 audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits 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 audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2017.

/s/ RBSM LLP

New York, NY

November 15, 2019

AMFIL Technologies Inc. and subsidiaries
Consolidated Balance Sheets

	June 30, 2018	June 30, 2017 Restated (1)
Assets		
Current assets		
Cash	$ 134,432	$ 288,978
Accounts receivable	60,536	184,239
Inventories	315,315	300,148
Prepaid expenses and other current assets	141,312	119,425
Total current assets	651,595	892,790
Property and equipment, net	1,751,342	1,120,834
Intangible assets, net	174,525	48,246
Goodwill	-	48,424
Total assets	$ 2,577,462	$ 2,110,294
Liabilities and stockholders' deficit		
Current liabilities		
Accounts payable and accrued expenses	$ 1,947,183	$ 713,594
Deferred Income	311,905	31,700
Bank indebtedness	969,280	483,339
Shareholder loans	690,502	976,420
Loans payable	172,097	-
Related party loans	108,632	65,478
Related party convertible notes payable, net of debt discount of $45,940 and $20,877, respectively	232,385	229,193
Convertible notes payable, net of debt discount of $210,474 and $0, respectively	792,224	667,270
Total Current Liabilities	5,224,208	3,166,994
Noncurrent liabilities		
Convertible notes payable, net of debt discount of $234,811 and $0, respectively	75,011	-
Total liabilities	5,299,219	3,166,994
Commitments and contingencies		
Stockholders' deficit		
Preferred stock, $0.001 par value, 10,000,000 shares authorized, 4,757,143 and 4,500,000 issued and outstanding, respectively	4,757	4,500
Common stock, $0.001 par value; 600,000,000 and 900,000,000 shares authorized, respectively, 482,253,163 and 473,895,499 issued and outstanding, respectively	482,253	473,895
Additional paid-in capital	5,913,966	1,589,148
Accumulated deficit	(9,000,995)	(2,893,575)
Accumulated other comprehensive income	(121,738)	(230,668)
Total stockholders' deficit	(2,721,757)	(1,056,700)
Total liabilities and stockholders' deficit	$ 2,577,462	$ 2,110,294

The accompanying notes are an integral part of these financial statements
(1) As described in Note 3 to these Consolidated Financial Statements, we have restated June 30, 2017

AMFIL Technologies Inc. and subsidiaries
Consolidated Statements of Operations and Comprehensive Loss

	For The Years Ended June 30, 2018	2017 Restated (1)
REVENUES:		
Hospitality and retail sales	$ 5,074,062	$ 2,896,002
Logistics and distribution sales	2,497,263	5,030,319
Hardscape sales	193,577	161,516
Total revenue	7,764,902	8,087,837
Cost of revenue:		
Hospitality and retail cost of sales	1,967,644	1,739,317
Logistics and distribution cost of sales	1,890,042	3,245,171
Hardscape cost of sales	114,927	217,681
Total cost of revenue	3,972,613	5,202,169
Gross profit	3,792,289	2,885,668
Operating expenses:		
General and administrative	5,681,036	3,000,140
Depreciation expense	607,137	259,201
Selling and marketing	210,420	109,104
Total operating expenses	6,498,593	3,368,445
Operating loss	(2,706,304)	(482,777)
Other expenses:		
Loss on extinguishment of debt	(1,797,668)	(281,500)
Loss on settlement	-	(110,880)
Loss on disposal	(29,725)	-
Impairment of fixed asset	(272,803)	-
Finance expense, net	(927,439)	(182,719)
Modification expense	(225,804)	(125,035)
Impairment of goodwill and intangibles	(95,814)	-
Loss on investment	(85,120)	-
Realized loss on foreign currencies	-	(5,034)
Loss before income taxes	(6,140,677)	(1,187,945)
Income tax expense (benefit)	33,257	(7,852)
Net loss	$ (6,107,420)	$ (1,195,797)
Basic and diluted loss per common share	$ (0.01)	$ (0.00)
Basic and diluted weighted average number of common shares outstanding	484,502,531	655,672,316
Comprehensive loss		
Net loss	$ (6,107,420)	$ (1,195,797)
Foreign currency translation gain (loss)	108,930	(61,329)
Comprehensive loss	$ (5,998,490)	$ (1,257,126)

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(1) As described in Note 3 to these Consolidated Financial Statements, we have restated June 30, 2017

AMFIL Technologies Inc. and subsidiaries
Statement of Changes in Stockholders' Deficit

	Preferred Stock		Common Stock		Additional	Accumulated	Accumulated Other	
	Shares	Amount	Shares	Amount	Paid-In Capital	(Deficit)	Comprehensive Loss	Total
Balances, July 1, 2016	-	$ -	664,493,098	$ 664,493	$ 347,908	$(1,697,778)	$ (169,339)	$ (854,716)
Shares issued for extinguishment of liability	-	-	42,764,166	42,764	301,979	-	-	344,743
Shares issued for settlement	-	-	38,500,000	38,500	72,380	-	-	110,880
Shares issued for consulting services	-	-	15,000,000	15,000	277,725	-	-	292,725
Shares issued upon conversion of debt	-	-	43,138,235	43,138	44,412	-	-	87,550
Convertible notes payable debt discount	-	-	-	-	44,209	-	-	44,209
Shares issued upon acquisition	-	-	20,000,000	20,000	26,000	-	-	46,000
Modification expense	-	-	-	-	129,035	-	-	129,035
Common stock converted into preferred stock	4,500,000	4,500	(350,000,000)	(350,000)	345,500	-	-	-
Foreign currency translation income	-	-	-	-	-	-	(61,329)	(61,329)
Net loss	-	-	-	-	-	(1,195,797)	-	(1,195,797)
Balances June 30, 2017 (Restated) (1)	4,500,000	4,500	473,895,499	473,895	1,589,148	(2,893,575)	(230,668)	(1,056,700)
Shares issued for extinguishment of liability	-	-	1,492,266	1,492	246,358	-	-	247,851
Shares issued for consulting services payable	-	-	1,512,870	1,513	272,696	-	-	274,209
Shares issued to related parties for conversion of debt	-	-	2,000,000	2,000	350,560	-	-	352,560
Shares issued upon conversion of convertible debt	-	-	16,587,821	16,588	893,421	-	-	910,009
Shares issued upon conversion for accrued interest	-	-	6,764,707	6,765	1,149,894	-	-	1,156,659
Modification expense	-	-	-	-	222,674	-	-	222,674
Convertible notes payable debt discount	-	-	-	-	1,129,826	-	-	1,129,826
Common stock converted into preferred stock	257,143	257	(20,000,000)	(20,000)	19,743	-	-	-
Related party loan adjustment from prior year	-	-	-	-	39,645	-	-	39,645
Foreign currency translation loss	-	-	-	-	-	-	108,930	108,930
Net loss	-	-	-	-	-	(6,107,420)	-	(6,107,420)
Balances, June 30, 2018	4,757,143	$ 4,757	482,253,163	$ 482,253	$ 5,913,966	$(9,000,995)	$ (121,738)	$ (2,721,757)

The accompanying notes are an integral part of these financial statements

(1) As described in Note 3 to these Consolidated Financial Statements, we have restated June 30, 2017

AMFIL Technologies Inc. and subsidiaries
Consolidated Statement of Cash Flows

	For the years ended June 30, 2018	2017 Restated (1)
Cash flows from operating activities:		
Net loss	$ (6,107,420)	$ (1,195,796)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	607,136	190,771
Amortization of debt discount	659,478	24,482
Non-cash interest	102,674	-
Impairment of goodwill and intangibles	95,814	-
Impairment of fixed asset	272,804	-
Loss on disposal of fixed asset	29,725	-
Stock based compensation	-	292,724
Loss on extinguishment of debt	1,797,076	281,500
Loss on settlement	-	110,880
Loss on investment	85,120	-
Modification Expense	222,674	129,035
Changes in operating assets and liabilities		
Accounts receivable	123,703	66,269
Inventories	(15,167)	3,359,612
Prepaid expenses and other current assets	(21,887)	(62,849)
Accounts payable and accrued expenses	1,376,950	(3,330,418)
Deferred income	280,204	(16,877)
Net cash used in operating activities	(491,116)	(150,667)
Cash flows from investing activities:		
Purchase of fixed assets	(1,537,086)	(343,788)
Purchase of intangible assets	(146,621)	(69,747)
Cash received upon acquisition	-	21,261
Net cash used in investing activities	(1,683,707)	(392,274)
Cash flows from financing activities:		
Proceeds from shareholder loans	-	1,465,688
Payments of shareholder loans	(285,918)	(1,328,633)
Proceeds from loans payable	172,097	-
Proceeds from related parties	184,130	-
Payments of related party loans	(33,488)	-
Proceeds from related party convertible notes	126,428	47,818
Proceeds from convertible notes	1,304,836	633,246
Proceeds from bank indebtedness	1,258,860	684,681
Payments of bank indebtedness	(815,598)	(597,254)
Net cash provided by financing activities	1,911,347	905,546
Effect of exchange rate on cash	108,930	(73,627)
Net increase (decrease) in cash	(154,546)	288,978
Cash, beginning of period	288,978	-
Cash, end of period	$ 134,432	$ 288,978
Supplemental cash flow information:		
Cash paid for interest	$ 93,000	$ -
Cash paid for taxes	$ 6,258	$ -
Non-cash investing and financing activities:		
Common stock issued for goodwill	$ -	$ 46,000
Common stock issued upon conversion of debt	$ 910,009	$ 87,550
Debt discount in connection with convertible debt	$ 1,129,826	$ 44,210
Assignment of convertible debt	$ 115,000	$ 3,600
Assignment of accrued interest	$ 23,000	$ -
Common stock converted into preferred stock	$ 257	$ 350,000
Adjustment of prior year related party payable	$ 39,645	$ -
Liability extinguished by share issuance	$ 143,358	$ 63,243
Common stock issued upon conversion of related party liability	$ 67,843	$ -

The accompanying notes are an integral part of these financial statements

(1) As described in Note 3 to these Consolidated Financial Statements, we have restated June 30, 2017

Note 1 - The Company

Nature of Business

Amfil Technologies, Inc. ("FUNN" or the "Company") is a New York State corporation formed on June 14, 1985 and was formally known as Technical Ventures, Inc. (New York Stock Exchange, "TVI"). The Company's fiscal year ends June 30, 2018.

On August 1, 2013 the Company entered into a definitive acquisition agreement with Interloc-Kings Inc. ("Interloc"). Interloc is an interlock and landscaping specialists and offers landscape construction and snow removal services in Canada. The company was founded in April 2009 and is based in Markham, Ontario, Canada. It has completed projects throughout Markham and the Greater Toronto Area.

On September 1, 2016, the Company acquired the shares of Snakes & Lagers Inc., a holding company that holds the shares of Snakes & Lattes Inc. Snakes & Lattes College Inc., Snakes & Lattes Annex Inc., & Snakes & Lattes Midtown Inc. This collection of entities is involved in the following revenue generating activities; board game retail, online and wholesale distribution; retail coffee shop/bistro; distribution of board game related products; board game publishing and manufacturing; and corporate/personal events.

During the fiscal year 2018, the Company opened one new store location under the Snakes & Lattes brand. Snakes & Lattes Tempe is expected to be operational in the fiscal year 2019 and include all the same revenue generating activities located in all stores. As of June 30, 2018, 3 stores are operating in Canada, with an additional store opened to the public in October of 2018 in the United States; all under the umbrella of Amfil Technologies, Inc.

Note 2 - Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The amounts of assets and liabilities in the consolidated financial statements do not purport to represent realizable or settlement values. The Company has incurred operating losses since inception and has an accumulated deficit of $9.0 million at June 30, 2018. The Company's working capital deficit is $4.6 million as of fiscal year June 30, 2018.

The Company intends to meet its working capital requirements from the issuance of common shares and convertible promissory notes as well as short term related party loans and income from operations. However, there can be no assurance that such financial support shall be ongoing or available on terms or conditions acceptable to the Company. This raises substantial doubt about the Company's ability to continue as a going concern. If management is unsuccessful in these efforts, discontinuance of operations is possible. These financial statements do not include any adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should we be unable to continue as a going concern. Our continuation as a going concern is dependent upon our ability to obtain additional financing and to generate profits and positive cash flow.

Note 3 - Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, ("GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of AMFE and its wholly-owned subsidiaries. All significant inter-company transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and accompanying notes. Actual results could differ from those estimates.

Restatement of previously issued financial statements

Amfil Technologies, Inc. (the "Company") is restating its consolidated prior year financial statements arising primarily from errors made in inventory, cost of goods sold, accounts payable and revenue. The Company erroneously accounted for third party inventory that was on consignment in their warehouse, in addition to recording gross revenue on such inventory sold. As a result of the overstated inventory, the Company also had overstated cost of goods sold and accounts payable.

On October 30, 2019, the Board of Directors of the Company, based on the consultation with management, concluded that the Company's previously issued financial statements for the year ended June 30, 2017 contained errors and that investors should no longer rely upon the Company's previously released financial statements. Management also subsequently determined that prior annual period financial statements for the year ended June 30, 2017 should be restated in the report for the year ended June 30, 2018.

The net effect of the adjustments on the Consolidated Statements of Income was to increase net loss by $173,015.

The restated financial statements correct the following errors:
The Company had recorded inventory and the corresponding sales, cost of goods sold, and accounts payable for goods to which they did not have title to. The errors discovered resulted in an overstatement of the Company's inventory balance of $3,989,982 and an overstated of accounts payable of $3,816,966 as of June 30, 2017, and an overstatement of revenue of $241,930 and an overstatement of cost of costs sold of $68,914 for the year ended June 30, 2017.

The effect on these revisions on the Company's consolidated balance sheet as of June 30, 2018 is as follows:

		As previously reported at June 30, 2017		**Adjustment**		**As revised at June 30, 2017**
Inventories	$	4,290,130	*$*	*(3,989,982)*	$	300,148
Accounts payable and accrued expenses	$	4,530,560	*$*	*(3,816,966)*	$	713,594
Accumulated deficit	$	(2,720,559)	*$*	*(173,016)*	$	(2,893,575)
Hospitality and retail sales	$	3,137,932	*$*	*(241,930)*	$	2,896,002
Hospitality and retail cost of sales	$	1,808,231	*$*	*68,914*	$	1,739,317
Net loss	$	(1,022,781)	*$*	*(173,016)*	$	(1,195,797)

Functional currency and foreign currency translation

The Company's subsidiaries functional currency is the Canadian dollar ("CAD"), while the Company's reporting currency is the U.S. dollar.

All transactions initiated in Canadian dollars are translated into U.S. dollars in accordance with ASC 830, *Foreign Currency Translation* as follows:

- Monetary assets and liabilities at the rate of exchange in effect at the balance sheet date.
- Equity at historical rates.
- Revenue and expense items and cash flows at the average transactions rate of exchange during the period.

Adjustments arising from such translations are deferred until realization and are included as a separate component of stockholders' deficit as a component of accumulated other comprehensive income or loss. Therefore, translation adjustments are not included in determining net loss but reported as other comprehensive loss.

For foreign currency transactions, the Company translates these amounts to the Company's functional currency at the exchange rate effective on the invoice date. If the exchange rate changes between the time of purchase and the time actual payment is made, a foreign exchange transaction gain or loss results which is included in determining net income for the period.

The relevant translation rates are as follows: For the year ended June 30, 2018 a closing rate of CAD $1.0000 equals US $0.76050 and for June 30, 2017 a closing rate of CAD $1.0000 equals US $0.76979. During the year ended June 30, 2018, the average transactions rate of exchange during the period for CAD $1.0000 equaled US $0.7877.

Cash

The Company considers all highly liquid short-term investments purchased with an original maturity date of three months or less to be cash equivalents. At times, the Company's bank balances may exceed federally insured limits. There were no cash equivalents at June 30, 2018 and 2017, respectively.

Accounts Receivable

Accounts receivable are recorded and carried at the original invoiced amount less an allowance for any potential uncollectible amounts. The Company makes estimates for the allowance for doubtful accounts based upon its assessment of various factors, including historical experience, the age of the accounts receivable balances, credit quality of our customers, current economic conditions, and other factors that may affect customers' ability to pay. As of June 30, 2018, and 2017, there was $24,000 and $0 in allowance for doubtful accounts, respectively.

Inventories

Inventories are stated at lower of cost or net realizable value using the first-in, first-out method and are evaluated at least annually for impairment. Write-downs for potentially obsolete or excess inventory are made based on management's analysis of inventory levels, historical obsolescence and future sales forecasts. For the years ended June 30, 2018 and 2017, no impairment charges were recorded.

Property and Equipment, net

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated based on the straight-line method basis over their estimated useful lives, which range as follows:

Office and furniture equipment	5 – 15 years
Computer equipment	3 – 5 years
Capitalized software – internal use	3 – 5 years
Leasehold improvements	Shorter of lease term or useful life

Business Combinations

We include the results of operations of the businesses that we acquire as of the respective dates of acquisition. We allocate the fair value of the purchase price of our acquisitions to the tangible assets acquired, liabilities assumed, and intangible assets acquired, based on their estimated fair values. The excess of the fair value of purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill.

In accordance with ASC 805, the Company accounts for acquisitions using the purchase method under which the acquisition purchase price is allocated to the assets acquired and liabilities assumed based upon their respective fair values. The Company utilizes management estimates and, in some instances, may retain the services of an independent third-party valuation firm to assist in determining the fair values of assets acquired, liabilities assumed and contingent consideration granted. Such estimates and valuations require the Company to make significant assumptions, including projections of future events and operating performance.

During the year ended June 30, 2017, the Company completed a business acquisition for total consideration of $46,000, related to a business combination involving the purchase of Snakes & Lagers Inc. (which directly owned Snakes & Lattes Inc. and Snakes & Lattes College Inc.) in exchange for 20 million common shares of the Company. The financial results of the business acquisition is included in our consolidated financial statements from the respective date of acquisition.

The acquisition took place on September 1, 2016, whereas, at that date the assets and liabilities acquired amounted to $48,424 and recorded as goodwill as of June 30, 2017.

Goodwill

Goodwill is the excess of the acquisition cost of businesses over the fair value of the identifiable net assets acquired. Goodwill and other indefinite lived intangible assets are not amortized. These assets are reviewed annually (or more frequently under

various conditions) for impairment using a fair value approach. The Company performs its annual, or interim, goodwill impairment test by comparing the fair value of its reporting units with their carrying amounts. The Company would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit. Additionally, the Company considers income tax effects from any tax deductible goodwill on the carrying amount of its reporting unit when measuring the goodwill impairment loss, if applicable. The fair value of the reporting units is estimated using discounted cash flow methodologies, as well as considering third party market value indicators. The Company's use of a discounted cash flow methodology includes estimates of future revenue based upon budget projections and growth rates. The Company also develops estimates for future levels of gross and operating profits and projected capital expenditures. The Company's methodology also includes the use of estimated discount rates based upon industry and competitor analysis as well as other factors. The estimates that the Company uses in its discounted cash flow methodology involves many assumptions by management that are based upon future growth projections. Calculating the fair value of the reporting units requires significant estimates and assumptions by management. Should the estimates and assumptions regarding the fair value of the reporting units prove to be incorrect, the Company may be required to record impairments to its goodwill in future periods and such impairments could be material.

The Company has the option to perform a qualitative assessment to determine whether it is necessary to perform the quantitative goodwill impairment test. However, the Company may elect to perform the quantitative goodwill impairment test even if no indications of a potential impairment exist. The Company's goodwill recorded as of June 30, 2017 amounting $48,242 was fully impaired during the year ended June 30, 2018 (Note 11).

Long-Lived Assets

In accordance with ASC 360 - Property, Plant, and Equipment ("ASC 360"), the Company periodically reviews its long-lived assets, including identifiable intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows will not be sufficient to recover an asset's carrying amount. The amount of impairment is measured as the difference between the estimated fair value and the book value of the underlying asset.

Impairment of Long-lived Assets

Long-lived assets comprise of mining rights. The Company accounts for impairment of long-lived assets in accordance with the guidance established in ASC 360, Accounting for the Impairment or Disposal of Long-Lived Assets, which requires the Company to evaluate a long-lived asset for recoverability when there is an event or circumstance that indicates the carrying value of the asset may not be recoverable. The Company follows the guidance of ASU 2012-02 and first assesses qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed of before the end of its estimated useful life. An impairment loss is recognized when the carrying amount of a long-lived asset or asset group is not recoverable (when carrying amount exceeds the gross, undiscounted cash flows from use and disposition) and is measured as the excess of the carrying amount over the asset's (or asset group's) fair value. Management evaluated whether there are any adverse qualitative factors in respect to mining rights indicating that they might be impaired. Since there were indicators of impairment, Management reviewed its long-lived intangible assets and has determined that certain licenses acquired in prior year from Kukum were deemed to have been impaired during the year end June 30, 2018 and as a result recorded an impairment expense amounting to $48,246 as of June 30, 2018 (Note 11).

Fair value of financial instruments

Per ASC 820 – *Fair Value Measurements,* a fair value hierarchy is used to rank the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as unadjusted quoted prices for similar assets and liabilities, unadjusted quoted prices in the markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying values of cash, accounts receivable, prepaid expenses and other current assets, accounts payable, and accrued expenses, deferred income, loans and notes payable approximate their fair value due to the short-term maturity of these instruments.

Deferred Income

Deferred revenue consists of billings in advance of revenue recognition. Deposits relate to prepayments on Board Game Development revenues which have not been earned as of years end.

Convertible notes

Convertible notes with characteristics of both liabilities and equity are classified as either debt or equity based on the characteristics of their monetary value, with convertible notes classified as debt being measured at fair value, in accordance with ASC 480-10, *Accounting for Certain Financial instruments with Characteristics of both Liabilities and Equity.*

Warrants

The Company accounts for warrants on capital stock based on guidelines provided in ASC 815*, Derivatives and Hedging – Contracts in Entity's Own Equity*, which provides guidance on contracts that are settled in the Company's own shares as either a liability or as an equity instrument depending on the warrant agreement. The Company uses the Black-Scholes or trinomial pricing models, depending on the applicable terms of the warrant agreement, to value the derivative warrant

Revenue recognition

The Company has multiple revenue streams including hospitality, distribution, and hardscape sales.

Revenue is recognized when control of the promised goods is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring those goods. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable.

The majority of the Company's revenues are derived from sales of finished products to customers. When determining whether control of the finished products has transferred to the customer, the Company considers any future performance obligations. Generally, the Company has no post-shipment obligation on sales of finished products to customers and revenues from product sales are recognized upon passing of title to the customer, which is generally at the time of shipment or purchase. Any shipping and handling activities that are performed by the Company, whether before or after a customer has obtained control of the products, are considered activities to fulfill our obligation to transfer the products, and are recorded as incurred within selling, distribution, and administration expenses. The Company recognizes distribution revenue gross of costs of sales, as it is deemed a principal in accordance with 606-10-55-37.

Non-monetary transactions

The Company applies ASC 845, *Accounting for Non-Monetary Transactions*, to account for services received through non-cash transactions based on the fair values of the services involved, where such values can be determined. If fair value of the services received cannot be determined, then the fair value of the shares given as consideration is used.

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with accounting standards for "Accounting for Derivative Instruments and Hedging Activities." Accounting standards generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur, and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this

rule when the host instrument is deemed to be conventional as defined under professional standards as "The Meaning of Conventional Convertible Debt Instrument."

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Original issue discounts ("OID") under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event is not within the entity's control and could require net cash settlement, then the contract shall be classified as an asset or a liability.

Stock-Based Compensation

The Company accounts for stock-based instruments issued to employees in accordance with ASC Topic 718, which requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity based compensation issued to employees. The Company accounts for nonemployee share-based awards in accordance with ASC Topic 505-50.

Earnings (loss) per common shares

The Company utilizes the guidance per ASC 260, "Earnings per Share". Basic earnings per share are calculated by dividing income available to stockholders by the weighted average number of common stock shares outstanding during each period. Diluted earnings per share are computed using the weighted average number of common stock shares and dilutive common share equivalents outstanding during the period. Dilutive common stock share equivalents consist of common shares issuable upon the conversion of preferred stock, convertible notes and the exercise of stock options and warrants (calculated using the modified treasury stock method). Such securities, shown below, presented on a common share equivalent basis and outstanding as of June 30, 2018 and 2017 have been excluded from the per share computations, since its inclusion would be anti-dilutive:

	June 30, 2018	June 30, 2017
Convertible preferred shares	370,000,000	350,000,000
Convertible debt	41,059,987	71,245,370
Warrants	2,000,000	21,000,000
Total	413,059,987	442,245,370

Income Taxes

The Company accounts for income taxes under Financial Accounting Standards Board ("FASB") ASC 740, *Income Taxes*. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. 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 the statements of operations in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which a change in judgement occurs, as a result of information that arises or when a tax position is effectively settled. Interest and penalties related to income tax matters are recognized in general and administrative expense.

The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of FASB ASC 740.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

Adoption of new accounting standards

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09), which amends the existing accounting standards for revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, which delays the effective date of ASU 2014-09 by one year. The FASB also agreed to allow entities to choose to adopt the standard as of the original effective date. In March 2016, the FASB issued Accounting Standards Update No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* (ASU 2016-08) which clarifies the implementation guidance on principal versus agent considerations. The guidance includes indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customers. The new standard further requires new disclosures about contracts with customers, including the significant judgments the company has made when applying the guidance. The Company adopted the new standard effective July 1, 2017, using the modified retrospective transition method, and the implementation did not have a material impact on our consolidated financial statements and our internal controls over financial reporting.

In February 2017, the FASB issued ASU 2017-05, an amendment to Subtopic 610-20, *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets* The amendments in this update are required for public business entities and other entities that have goodwill reported in their financial statements. Under the amendments in this update, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. The amendments in this update modify the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its implied fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. An entity no longer will determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. The Company adopted the new standard effective July 1, 2017, on a prospective basis, and the implementation did not have a material impact on our consolidated financial statements and our internal controls over financial reporting.

Recent accounting standards

In February 2016, the FASB established ASC 842, *Leases*, by issuing ASU 2016-02, which requires lessees to now recognize operating leases on the balance sheet and disclose key information about leasing arrangements. ASC 842 was subsequently amended by ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; and ASU 2018-11, *Targeted Improvements*. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

The new standard is effective for us on July 1, 2019, with early adoption permitted. We expect to adopt the new standard on its effective date. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either: (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide the disclosures required by the new standard for the comparative periods. We expect to adopt the new standard on July 1, 2019 and use the effective date as our date of initial application. Consequently, financial information will not be updated, and the disclosures required under the new standard will not be provided for dates and periods before July 1, 2019.

The Company has selected a lease accounting system and we are in the process of implementing such system as well as evaluating the use of the optional practical expedients. While the Company continues to evaluate the effect of adopting this guidance on its consolidated financial statements and related disclosures, the Company expects its operating leases, as disclosed in Note 14 — Commitments and Contingencies in the accompanying notes to the consolidated financial statements of this Annual Report, will be subject to the new standard. The Company will recognize right-of-use assets and operating lease liabilities on its consolidated balance sheets upon adoption, which will increase its total assets and liabilities.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers Other than Inventory* (ASU 2016-16), which requires companies to recognize the income-tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs, rather than when the asset has been sold to an outside party. The Company will adopt the new standard effective July 1, 2018, using the modified retrospective transition approach through a cumulative-effect adjustment to retained earnings as of the effective date but we don't expect any material change. A cumulative-effect adjustment will capture the write-off of income tax consequences deferred from past intra-entity transfers involving assets other than inventory, new deferred tax assets, and other liabilities for amounts not currently recognized under U.S. GAAP. Based on transactions up to June 30, 2018, the Company does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which revises the definition of a business and provides new guidance in evaluating when a set of transferred assets and activities is a business. The Company will adopt the new standard effective July 1, 2018, on a prospective basis and the implementation did not have a material impact on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which eliminates step two from the goodwill impairment test. Under ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value up to the amount of goodwill allocated to that reporting unit. The new standard is effective for us on July 1, 2020, with early adoption permitted. The Company is still determining if the standard has a material impact on the company's consolidated financial statements.

In July 2017, the FASB issued No. ("ASU'') 2017-11, *Earnings Per Share (Topic 260)*, *Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815*). The amendments in these updates provide guidance about

Accounting for certain financial instruments with down round features, and

Replacement of the indefinite deferral for mandatorily redeemable financial instruments of certain non-public entities and certain non-controlling interests.

The Company does not have any financial instruments that meet the criteria noted above, and as such it will not have a material effect on the financial statements. The Company will review for the existence of down round provisions in future agreements.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging*, (Topic 815). The amendments in this update better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. To meet that objective, the amendments expand and refine hedge accounting for both nonfinancial and financial risk components and align the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. The new standard is effective for us on July 1, 2019.

For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early application is permitted in any interim period after issuance of the update. For cash flow and net investment hedges existing at the date of adoption, an entity should apply a cumulative-effect adjustment related to eliminating the separate measurement of ineffectiveness to accumulated other comprehensive income with a corresponding adjustment to the opening balance of retained earnings as of the beginning of the fiscal year that an entity adopts the amendments in this Update. The amended presentation and disclosure guidance are required only prospectively. The impact this ASU will have on the Company's consolidated financial statements is expected to be immaterial.

In January 2018, the FASB issued ASU 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," which gives entities the option to reclassify to retained earnings the tax effects resulting from the Act related to items in Accumulated Other Comprehensive Income ("AOCI") that the FASB refers to as having been stranded in AOCI. The new guidance may be applied retrospectively to each period in which the effect of the U.S. Tax Cuts and Jobs Act ("the Act") is recognized in the period of adoption. The Company could adopt this guidance for fiscal years beginning after July 1, 2019 and interim periods within those fiscal years. Early adoption is permitted for periods for which financial statements have not yet been issued or made available for issuance, including the period the Act was enacted. The guidance, when adopted, will require new disclosures regarding a company's accounting policy for releasing the tax effects in AOCI and permit the company the option to reclassify to retained earnings the tax effects resulting from the Act that are stranded in AOCI. The Company is currently evaluating the impact of the pending adoption of this new standard on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, “Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement,” which improves the effectiveness of the disclosures required under ASC 820 and modifies the disclosure requirements on fair value measurements, including the consideration of costs and benefits. The new standard is effective for fiscal years beginning after July 1, 2020, including interim periods within those fiscal years, and early adoption is permitted. The Company is currently evaluating the impact of the pending adoption of this new standard on its consolidated financial statements.

In October 2018, the FASB issued ASU 2018-17, "Consolidation: Targeted Improvements to Related Party Guidance for Variable Interest Entities", which improves the accounting for variable interest entities by considering indirect interests held through related parties under common control for determining whether fees paid to decision makers and service providers are variable interests. This new standard is effective for fiscal years beginning after July 1, 2020, including interim periods within those fiscal years. The amendments are required to be applied retrospectively with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented. Early adoption is permitted. The Company is currently evaluating the impact of the pending adoption of this new standard on its consolidated financial statements.

Note 4 – Bank Indebtedness

The bank loans are secured by a general security agreement on Snakes & Lattes Inc. and Snakes & Lattes College Inc.

The specific loans have the following terms:

The Company entered into a Line of Credit with the Royal Bank of Canada in the authorized amount of $200,000 CAD. The loan bears interest at a rate of prime plus 3% unsecured with no stipulated maturity date. As of June 30, 2018, and June 30, 2017, the line of credit had a balance of $152,100 and $108,688 USD respectively.

Commencing December 12, 2014, the Company entered into a contract with the Royal Bank of Canada for the leasing of equipment in the authorized amount of $149,000 CAD. The loan bears a rental factor of .03016 over a 36-month term terminating December 12, 2017, with taxes included the monthly payments are $5,079 CAD per month. In addition, commencing August 31, 2015 the Company entered into an additional contract with the Royal Bank of Canada for the authorized amount of $57,000 CAD. The contract bears a rental factor of .02998 over a 36-month term terminating August 31, 2018, with taxes included the monthly payments are $1,931 CAD per month. In aggregate the leased equipment as of June 30, 2018 and 2017 was $0 and $17,304, respectively.

The Company entered into a Term Loan co-signed by the Government of Canada under the Small Business Financing loan program with the Royal Bank of Canada. The loan bears a variable interest rate of prime rate plus 3%, in addition the monthly principle payments of $2,778 CAD are to be made per month with no stipulated maturity date. During the year ended June 30, 2018 and 2017 the balance outstanding on the term loan was $332,337 and $122,174 respectively. During the year ended June 30, 2018, the Company incurred interest expense of $15,659.

The Company entered into a term loan with the Business Development Bank of Canada for the authorized amount of $187,500 CAD. The loan bares an effective monthly interest rate of 12.10% with monthly principal payments of $3,125 CAD and includes no stipulated maturity date. During the year ended June 30, 2018 and 2017 the balance outstanding on the term loan was $119,933 and $153,828 respectively. During the year ended June 30, 2018, the Company incurred interest expense of $16,450.

The Company entered into a term loan with Lending Loop for the authorized amount of $125,000 CAD. The loan bares an effective monthly interest rate of 10.63% with monthly principal payments of $5,762 CAD and includes no stipulated maturity date. During the year ended June 30, 2018 and 2017 the balance outstanding on the term loan was $47,342 and $7,095 respectively. During the year ended June 30, 2018, the Company incurred interest expense of $32,305.

The Company entered into a term loan with Thinking Capital, Inc. for the authorized amount of $100,000 CAD. The loan bares a flat monthly interest rate of 22.19% with monthly principal payments based upon 14% of credit card transactions processed and includes no stipulated maturity date. During the year ended June 30, 2018 and 2017 the balance outstanding on the term loan was $218,248 and $74,250 respectively. During the year ended June 30, 2018, the Company incurred fees of $103,163.

On March 13, 2018, the Company entered into a term loan with Evolocity Financial Group Inc. in the amount of $150,000 CAD. The loan consisted of 257 payments of $713 CAD due each business day after the disbursement of the loan, and one final payment in the amount of $703 CAD due upon maturity. During the year ended June 30, 2018 and 2017 the balance

outstanding on the term loan was $99,321 and $0 respectively. During the year ended June 30, 2018, the Company incurred interest expense of $38,861.

The following table summarizes total bank indebtedness as of June 30, 2018:

Description	As of June 30, 2018		As of June 30, 2017	
Royal Bank of Canada Line of Credit	$	152,100	$	108,688
Royal Bank of Canada Leased Equipment (Aggregate)		-		17,304
Royal Bank of Canada Term Loan		332,337		122,174
Business Development Bank of Canada		119,933		153,828
Evolocity Financing Loan		99,320		-
Lending Loop Term Loan		47,342		7,095
Thinking Capital		218,248		74,250
Total	$	969,280	$	483,339

Note 5 – Related Party Convertible Notes, Convertible Notes, and Promissory Notes

Related Party Convertible Notes

During the fiscal year ended June 30, 2018, the Company issued short term convertible notes to a related party amounting to of $126,428 due in one year with interest rates of 5% and 10% and a conversion rate of $0.10 per share. Additionally, the Company entered into a convertible loan agreement with the related party amounting to $30,135 where funds were used to purchase an intangible consisting of board game rights. This related party during the year has also assigned $115,000 of principal and $23,000 of accrued interest to other nonrelated convertible loan holders, (amounts were subsequently converted as noted above). In connection with these notes, the Company recorded a debt discount amounting to $90,657 related to the beneficial conversion feature of the notes to be amortized over the life of the note. As a result, the Company has recorded amortization of debt discount of $65,594, and interest expense of $9,692. As of June 30, 2018, related party convertible loans amounting to $282,385 include the principal balance of $230,359, net debt discount of $45,940 and accrued interest of $47,966.

During the year ended June 30, 2017, the Company entered into $47,818 of convertible debt and reclassed $36,000 to convertible debt from related party convertible debt due to a private transaction. The convertible debt entered into is convertible at a conversion price of $0.05 per share into the Company's common stock. The Company recorded a debt discount of $21,709 due to the beneficial conversion feature at the time of issuance. The debt has an interest rate of 10% and the balance matured and was payable one year from the date of issuance. The Company recorded finance expense in the amount of $20,870 for accrued interest of $61,274 and amortization of debt discount of $833. As of June 30, 2017, the balance of $229,193 included the principal balance of $188,796, accrued interest of $61,274, less remaining debt discount of $20,877.

Convertible Notes

	June 30, 2018	June 30, 2017
5% Convertible Loans (includes accrued interest of $27,285)	$ 877,240	$ -
10% Convertible Loans (includes accrued interest of $18,615 and $14,024, respectively)	435,279	667,270
Less: Net debt discount	(445,285)	-
Total convertible debt	**867,234**	**667,270**
Less current portion	(792,223)	(667,270)
Total long term 10% convertible debt	**$ 75,011**	**$ -**

Short Term Convertible Notes

During the fiscal year ended June 30, 2018, the Company issued short term convertible notes in the amount of $1,004,836 due in one year with interest rates of 5% and 10% and conversion rates ranging from $0.02 to $0.10 per share. One of these notes also included 1,000,000 3 year warrants exercisable at $0.15 per share. In connection with these notes, the Company recorded a debt discount amounting to $799,169 related to the beneficial conversion feature of the notes to be amortized over the life of the note.

Additionally, during the year ended June 30, 2018, the Company entered into a convertible loan agreement amounting to $85,120 where funds were used for a potential investment which was subsequently revoked. As a result, the Company is still obligated to the lender, and has recorded a loss on the investment.

In addition, a related party convertible noteholder had assigned $115,000 of principal and $31,605 of accrued interest to these noteholders. During the fiscal year ended June 30, 2018, $901,404 of principal and $23,000 of accrued interest were converted into 16,587,821 shares and 6,764,707 shares of the Company's common stock.

As a result, the Company has recorded amortization of debt discount of $588,695, interest expense of $40,481 and modification expense amounting to $222,674.

As of June 30, 2018, short term convertible loans amounting to $792,224 include the principal balance of $956,797, net debt discount of $210,474 and accrued interest of $45,901.

Long Term Convertible Notes

In March and April 2018, the Company issued two 5 year 10% convertible notes of $150,000 each, totaling $300,000 with conversion rates ranging from $0.05 to $0.10 per share. In connection with these notes, the Company recorded a debt discount amounting to $240,000 related to the beneficial conversion feature of the notes to be amortized over the life of the note. As a result, the Company has recorded amortization of debt discount of $5,189 and interest expense of $9,822. As of June 30, 2018, the long term convertible loans amounting to $75,011 include the principal balance of $300,000, net debt discount of $234,811 and accrued interest of $9,822.

During the year ended June 30, 2017, the Company entered into $633,246 of convertible debt and reclassed $36,000 to convertible debt from related party convertible debt due to a private transaction. The convertible debt entered into is convertible at a weighted average conversion price of $0.09 per share into the Company’s common stock. The Company recorded a debt discount of $22,500 due to the beneficial conversion feature at the time of issuance. The debt has an interest rate of 10% and the balance matured and was payable one year from the date of issuance. The Company converted $87,550 of debt into 43,138,235 shares of the Company’s common stock. In addition, the Company recorded an expense of $129,035 for debt modification due to the conversion of notes that converted into approximately 31 million shares. The Company also recorded finance expense in the amount of $3,208 for accrued interest of $14,024 and amortization of debt discount of $25,352. As of June 30, 2017, the balance of $667,269 included the principal balance of $653,246 and accrued interest of $14,024

Note 6 – Warrants

The Company utilizes the Black-Scholes valuation method to value warrants and recognize compensation expense over the vesting period. The expected life represents the period that the Company’s warrants are expected to be outstanding. The Company uses a simplified method provided in Securities and Exchange Commission release, Staff Accounting Bulletin ("SAB") No. 110 ("SAB No. 110"), which averages a warrant’s weighted average vesting period and contractual term for “plain vanilla” warrants. The expected volatility was obtained by analyzing the historic volatility of the Company’s stock. The Company does not estimate forfeitures.

No dividend payouts were assumed as we have not historically paid and are not anticipated to pay dividends in the foreseeable future. The risk-free rate of return reflects the weighted average interest rate offered for US treasury rates over the expected term of the warrants. The fair market value of common stock used in the calculation was based upon future cash flow scenarios.

In connection with the issuance of a convertible note in October 2017 the Company granted 1,000,000 warrants to a note holder at an exercise price of $0.15 per share. The estimated fair value of the underlying stock was $0.17 per share with an intrinsic value of $20,000.

In connection with the issuance of convertible notes in April 2017 the company granted 1,000,000 options to a note holder at an exercise price of $0.05. The estimated fair value of the underlying stock was $0.06 per share with an intrinsic value of $7,200.

A summary of significant assumptions used to estimate the fair value of the equity awards granted during the period are as follows:

	For the years ended June 30,	
	2018	**2017**
Expected term (years)	3	3
Risk-free interest rate	1.94%	1.80%
Volatility	202%	212%
Dividend Yield	None	None

A summary of warrant activity for the combined plans for the years ended June 30, 2018 and 2017, and the changes for the years then ended, is presented as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contract Terms (years)
Warrants outstanding June 30, 2016	$ 94,625,218	**$ 0.02**	**0.4**
Granted	1,000,000	$ 0.002	
Expired	(74,625,218)	$ 0.04	
Warrants outstanding June 30, 2017	**21,000,000**	**$ 0.05**	**0.8**
Granted	1,000,000	$ 0.075	
Expired	(20,000,000)	$ 0.50	
Warrants outstanding June 30, 2018	**2,000,000**	**$ 0.10**	**2.04**

Note 7 – Stockholders' deficit

The Company has two classes of stock, Common Stock and Series A Preferred Stock. As of June 30, 2018, and 2017, the authorized common stock of the Company consists of 600,000,000 shares with par value of $0.001. In fiscal 2018 the Company amended its articles of incorporation to reflect a decrease in the number of authorized common shares from 900,000,000 to 600,000,000.

Common Stock issued for services

During the period ended June 30, 2018, the Company issued 1,290,867 shares of common stock to third parties for payment of liabilities related to consulting services provided in prior years. The shares were valued at $240,411 which was recorded as a reduction in accounts payable in the amount of $96,815 and loss on extinguishment of debt in the amount of $143,596.

During the period ended June 30, 2018, the Company issued 222,000 shares of common stock to third parties for consulting services rendered. The shares were valued at $33,798 which was recorded as a reduction in accounts payable in the amount of $1,763 and loss on extinguishment of debt in the amount of $32,035.

During the period ended June 30, 2017, the Company issued 42,764,166 shares of common stock to third parties for payment of liabilities related to consulting services provided in prior years. The shares were valued at $344,743 which was recorded as a reduction in accounts payable in the amount of $63,243 and loss on extinguishment of debt in the amount of $281,500.

During the period ended June 30, 2017, the Company issued 15,000,000 shares of common stock to third parties for consulting services rendered. The shares were valued at $292,725 which was recorded as general and administrative expense.

Common Stock issued for liability extinguishment

During the period ended June 30, 2018, the Company issued 1,492,266 shares of common stock to third parties for payment of liabilities. The shares were valued at $247,851 which was recorded as a reduction in accounts payable in the amount of $44,781 and loss on extinguishment of debt in the amount of $203,070.

Common Stock issued for debt conversion

On August 5, 2017, the Company issued 1,650,000 shares of common stock to convert $100,000 of convertible debt. At the time of the conversion, the conversion rate was modified, which resulted in a modification expense amounting to $222,674.

On August 15, 2017, the Company issued 6,737,821 shares of common stock to convert $606,404 of convertible debt and $8,605 in interest.

On August 15, 2017, the Company issued 2,000,000 shares of common stock to convert $80,000 of convertible debt in accordance with the conversion terms.

On August 25, 2017, the Company issued 2,000,000 shares of common stock to convert $10,000 of accrued interest in accordance with the conversion terms.

On October 05, 2017, the Company issued 100,000 shares of common stock to convert $10,000 of convertible debt in accordance with the conversion terms.

On October 23, 2017, the Company issued 3,235,295 shares of common stock to convert $11,000 of accrued interest valued at $602,547. As a result, the Company recorded a loss on extinguishment of debt of $591,547.

On October 26, 2017, the Company issued 600,000 shares of common stock to convert $60,000 of convertible debt in accordance with the conversion terms.

On November 09, 2017, the Company issued 500,000 shares of common stock to convert $20,000 of convertible debt in accordance with the conversion terms.

On January 08, 2018, the Company issued 3,529,412 shares of common stock to convert $12,000 of accrued interest valued at $554,118. As a result, the Company recorded a loss on extinguishment of debt of $542,118.

On May 01, 2018, the Company issued 3,000,000 shares of common stock to convert $15,000 of convertible debt in accordance with the conversion terms.

Conversion of Common Stock into Preferred Stock

On March 1, 2017, an officer of the Company converted 350,000,000 shares of common stock into 4,500,000 shares of preferred stock at par.

On January 18, 2018, an officer of the Company converted 20,000,000 shares of common stock into 257,143 shares of preferred stock at par.

Business Acquisition

On September 1, 2016, the Company issued 20,000,000 common shares in connection with an acquisition which was recorded as part of the purchase price in the amount of $46,000.

Preferred Stock

The authorized preferred stock of the Company consists of 10,000,000 shares with a par value of $.001. The preferred shares are convertible into common stock at a ratio of 77.78 to 1. There are no redemption features or any additional privileges over and above the rights to the common stock it would convert into.

Note 8 – Related Party Transactions

During the year ended June 30, 2018 and June 30, 2017, the Company entered into convertible notes with a related party. See Note 5.

A party related to a shareholder and director provided a non-interest-bearing loan to the Company. During the years ended June 30, 2018 and 2017, the Company received net proceeds in the amount of $151,000 and $32,000 related to this loan,

respectively. The shareholder and director converted an aggregate of $67,843 of notes into 2,000,000 shares of common stock during the year, and the Company recorded a loss of $284,717 upon the extinguishment.

In the fiscal year June 30, 2017, two shareholders made advances to the Company totaling $1,450,098 that are non-interest bearing, unsecured and have no fixed repayment dates. During the year ended June 30, 2018, the Company received no proceeds. During the year ended June 30, 2018 the Company made payments in the amount of $285,918 related to this loan. As of June 30, 2018 and June 30, 2017, the Company had outstanding balances of $690,502 and $976,420, respectively, to these shareholders.

The Company leases office space and motor vehicles from a shareholder and director of the Company.

Note 9 – Income Taxes

The reconciliation of the US income tax provision computed at statutory rates to the reported income tax provision is as follows:

	June 30,	
	2018	2017
Net loss for the year	(6,140,677)	(1,014,929)
Effective statutory rate	27.50%	34.00%
Expected tax recovery	(1,289,542)	(345,076)
Permanent difference nondeductible expenses	272,265	62,685
Effect of lower Canadian Tax Rates	150,777	39,932
Effect of change in US tax rate	106,556	-
Other	(96,154)	-
Increase in valuation allowance	822,841	242,459
	(33,257)	-

Deferred income taxes reflect the net income tax effect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and amounts used for income taxes. The Company's deferred income tax assets and liabilities consist of the following:

	June 30,	
	2018	2017
Net operating loss carry forward US	621,560	(1,014,929)
Net operating loss carry forward Canada	514,843	85,820
Depreciation	50,945	-
Deferred Tax Assets	1,187,348	364,506
Valuation allowance	(1,187,348)	(364,506)
Deferred Tax Assets, net of valuation allowance	-	-

The Company is current in all Canadian tax filings across all of its subsidiaries; however, Amfil Technologies Inc. has not filed its US tax filings from 2009 to 2018. We do not believe that there are any US corporate taxes owing at this time other than potential late filing fees. During 2018, the Company is currently in the process of bringing the outstanding US tax filings up to date and expects this process to be completed by the end of calendar year. Additionally, the Company is not current with form 5471.

As a result of the above management believes that the net operating loss carryforwards for US tax purposes totaled approximately $3,000,000 at June 30, 2018, of which, $819,000 expire by 2037, the balance is subject to limitation of 80% of the current years taxable income but will not expire. There is approximately $3,322,000 of net operating loss carry forwards in Canada which expires between 2022 and 2038. After consideration of all the evidence, management has recorded a valuation allowance at June 30, 2018 due to uncertainty of realizing the deferred tax assets. Utilization of the

Company's net operating loss carry forwards may be limited based on changes in ownership as defined in Internal Revenue Code Section 382.

Note 10 – Property and Equipment

Property and equipment consisted of the following as of June 30, 2018 and 2017:

	June 30,			
	2018		2017	
Office furniture	$	148,256	$	79,342
Equipment		368,253		272,626
Computers		38,378		20,550
Leasehold improvements		1,885,743		690,460
Grozone Equipment		-		111,555
Inventory Management Platform		342,226		346,503
Accumulated deprecaition and amortization		(1,175,577)		(400,202)
Property and equipment, net	$	1,607,279	$	1,120,834

Depreciation expense for the years ended June 30, 2018 and 2017 was $607,186 and $259,201, respectively.

Note 11 – Goodwill and intangible assets

	June 30,			
	2018		2017	
Goodwill	$	-	$	48,424
Intangible assets		176,756		69,747
Accumulated amortization		(2,232)		(21,501)
Goodwill and intangibles, net	$	174,524	$	96,670

During the year ended June 30, 2017, the Company completed a business acquisition for total consideration of $46,000, related to a business combination involving the purchase of Snakes & Lagers Inc. (which directly owned Snakes & Lattes Inc. and Snakes & Lattes College Inc.) in exchange for 20 million common shares of the Company. The acquisition took place on September 1, 2016, whereas, at that date the assets and liabilities acquired amounted to $48,424 which represents goodwill as of June 30, 2017. As of June 30, 2018 the Company conducted its annual goodwill impairment assessment and determined that goodwill should be fully impaired. As a result the Company recorded an impairment expense amounting to $48,424.

During fiscal 2017 the Company acquired certain licenses amounting to $48,246 as of June 30, 2017. As of June 30, 2018 the Company conducted its annual impairment assessment and determined that these intangibles should be fully impaired. As a result the Company recorded an impairment expense amounting to $48,246.

As of June 30, 2018, the Company's intangible assets are comprised of licenses acquired from Morning SAS during the year end June 30, 2018. The assets are being amortized over 15 years, which management has determined the useful life of the asset to be.

Note 12 – Commitments and contingencies

Operating lease

The Company has lease agreements to lease office space and motor vehicles from a shareholder of the Company under operating leases for terms of ten and five years respectively. The Company's future minimum payment obligations under the lease commitments

Twelve Months Ended June, 30		Amount
2019	$	982,972
2020		890,672
2021		678,672
2022		676,088
2023		498,255
Thereafter		2,323,071
	$	6,049,730

In April 2014, The Company entered into a Joint Venture Agreements with ACTS Technologies, Inc. to acquire a 50% ownership of Antibacterial Cleaning Treatment Services, Inc. that owns GROzone Control. ACTS rebranded in 2018 to Advanced Ozone Integration. The Company also acquired the exclusive right of representation to perform with Advanced Ozone Integration as a systems and service provider to any Medical Marijuana Industry and legal marijuana grow/process establishments.

Under the terms of the Joint Venture Agreement, the Company shall be responsible for the initial investment funding and capital contribution of $200,000 over the first 2 – 3 months on an as needed basis and shall further co-ordinate on a best effort basis for an additional investment funding and capital contribution of approximately $3 million to $5 million into the Joint Venture over a 15-month period from the date of initiation of the Joint Venture Agreement. The initial investment of $200,000 shall be used for the advancement of the EcoPr03 GRO3 technology, including materials for assembly of the first 2 – 3 units as well as travel, costs and expenses incurred to generate the first sales and beta tests in existing facilities. In addition, AMFE issued 10 million common shares to ACTS.

The joint venture was fully impaired during the year ended June 30, 2018. The Company had contributed approximately $280,460 prior to impairment, and had been capitalized in the property and equipment. The other party to the Joint Venture only contributed knowhow and labor for the advancement of the EcoPr03 GRO3technology.

Note 13 – Certain Risks and Concentrations

The Company's revenues are primarily derived from online and in store board game sales as well as of our brick and mortar retail locations, the market for which is highly competitive and rapidly changing. Significant changes in this industry or changes in customer buying or spending behavior could adversely affect our operating results.

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash equivalents and accounts receivable. Cash equivalents consist primarily of deposits. Accounts receivable are typically unsecured and are derived from revenues earned from customers located around the world, but primarily in Canada and the US. In 2017 and 2018 the Company generated approximately 98% of our revenues from customers based in Canada and the United States. The Company performs ongoing evaluations to determine customer credit and the Company limits the amount of credit it extends, but generally it does not require collateral from its customers. The Company maintains reserves for estimated credit losses and these losses have generally been within its expectations.

One customer represented approximately 22.54% of revenues amounting to approximate sales of $1,750,300.

During the year, the Company purchased approximately 44.06% of its products from one of its suppliers and has undertaken, under the terms of a contract, to purchase exclusively from the same supplier. In the current year it has purchased approximately $1.75 million of product. The Company signed an agreement with the supplier whereby the Company has distribution rights of the enterprise's products in Canada, respectively. This agreement has no fixed date of expiration.

Note 14 – Business Segment Information

Industry Segmentation

The Company has operations in two primarily locations; in the United States and Canada. In addition, the Company focuses on three primary activities: 1) operating a board game café with retail sales, 2) online and wholesale distribution, and 3) hardscape construction and winter services.

Board game retail

Snakes & Lagers Inc. a holding company that holds the shares of Snakes & Lattes Inc. Snakes & Lattes College Inc., Snakes & Lattes Annex Inc., Snakes & Lattes Midtown Inc., & Snakes & Lattes Tempe Inc. This collection of entities is involved in the following revenue generating activities; board game retail, retail coffee shop/bistro; and corporate/personal events.

Online and wholesale distribution

Snakes & Lagers Inc. a holding company that holds the shares of Snakes & Lattes Inc. Snakes & Lattes College Inc., Snakes & Lattes Annex Inc., Snakes & Lattes Midtown Inc, & Snakes & Lattes Tempe Inc. This collection of entities is involved in the following revenue generating activities; online and wholesale distribution; Distribution of board game related products; and board game publishing and manufacturing.

Hardscape Construction and winter services ("Hardscape Construction")

Interloc Kings Inc. is an interlock and landscaping specialists and offers landscape construction and snow removal services in Canada. The company was founded in April 2009 and is based in Markham, Ontario, Canada. It has completed projects throughout Markham and the Greater Toronto Area.

Summarized financial information concerning the Company's reportable segments for the yearend June 30, 2018 is shown in the following tables:

	Hospitality and retail sales	Logistics and distribution sales	Hardscape Construction	Consolidated
Revenue	$ 5,074,062	$ 2,497,263	$ 193,577	$ 7,764,902
Cost of Goods Sold	1,967,644	1,890,042	114,927	3,972,613
Depreciation and amortization	396,740	195,261	15,136	607,137
Operating income (loss)	(1,768,465)	(870,372)	(67,467)	(2,706,304)
Income before taxes	(4,012,694)	(1,974,898)	(153,085)	(6,140,677)

	United States	Canada	Consolidated
Total revenues	$ -	$ 7,764,902	$ 7,764,902
Cost of Goods Sold	-	3,972,613	3,972,613
Depreciation and amortization	4,726	602,411	607,137
Operating income (loss)	(483,280)	(2,223,024)	(2,706,304)
Income before taxes	(3,430,302)	(2,710,375)	(6,140,677)

Summarized financial information concerning the Company's reportable segments for the yearend June 30, 2017 is shown in the following tables:

	Hospitality and retail sales	Logistics and distribution sales	Hardscape Construction	Consolidated
Revenue	$ 2,896,002	$ 5,030,319	$ 161,516	$ 8,087,837
Cost of Goods Sold	1,739,317	3,245,171	217,681	5,202,169
Depreciation and amortization	171,414	4,726	4,726	259,201
Operating income (loss)	(172,868)	(300,269)	(9,641)	(482,777)
Income before taxes	(425,366)	(738,856)	(23,724)	(1,187,945)

	United States	Canada	Consolidated
Total revenues	$ 465,065	$ 7,622,772	$ 8,087,837
Cost of Goods Sold	-	-	-
Depreciation and amortization	-	-	-
Operating income (loss)	355,961	7,731,875	8,087,837
Income before taxes	(529,248)	(658,697)	(1,187,945)

Note 15 – Subsequent Events

The Company evaluated its consolidated financial statements for subsequent events through November 15, 2019. The Company is not aware of any other subsequent events that would require recognition or disclosure in the consolidated financial statements other than the transactions addressed below.

Share Issuances:

As of the date of this filing, the Company has issued and outstanding 509,916,324 shares of common stock. The Company's officers hold 4,757,143 shares of Preferred Stock which are convertible to 370,000,000 shares of common stock. We have obtain waiver letters from these shareholders confirming that they will not convert until authorized shares have increased and are sufficient to cover all convertible obligations.

At this time the Company is in the process of obtaining approval from shareholders to file an increase in the authorized common shares.

The following summarizes the shares issuances from the period July 1, 2018 through November 15, 2019 totaling 27,663,164 shares of common stock.

On July 6, 2018, the Company issued 3,069,863 shares of common stock to convert $153,493 of convertible debt and interest in accordance with the conversion terms.

On September 1, 2018, the Company issued 1,016,986 shares of common stock to convert $50,849 of convertible debt and interest in accordance with the conversion terms.

On September 19, 2018, the Company issued 736,142 shares of common stock to related party as repayment of a liability valued at $57,500.

On September 19, 2018, the Company issued 300,000 shares of common stock to convert $30,000 of convertible debt in accordance with the conversion terms.

On September 19, 2018, the Company issued 615,384 shares of common stock to convert $3,076 of convertible debt in accordance with the conversion terms.

On September 19, 2018, the Company issued 1,713,885 shares of common stock to convert $123,914 of convertible debt in accordance with the conversion terms.

On September 19, 2018, the Company issued 1,502,137 shares of common stock to convert $75,106 of convertible debt and interest in accordance with the conversion terms.

On October 10, 2018, the Company issued 1,000,000 shares of common stock as payment for $10,000 consulting fee.

On October 10, 2018, the Company issued 200,000 shares of common stock for a $10,000 investment.

On November 5, 2018, the Company issued 1,500,000 shares of common stock for $75,000 cash.

On November 17, 2018, the Company issued 1,008,767 shares of common stock to convert $50,438 of convertible debt and interest.

On June 13, 2019, the Company issued 1,000,000 shares of common stock to convert $20,000 of convertible debt in accordance with the conversion terms.

On August 12, 2019, the Company issued 4,000,000 shares of common stock to convert $100,000 of convertible debt in accordance with the conversion terms.

On September 19, 2019, the Company issued 5,000,000 shares of common stock for advisory services valued at $100,000.

On September 19, 2019, the Company issued 5,000,000 shares of common stock for advisory services valued at $100,000.

On August 3, 2018, the Company issued 10,000,000 shares with a value of $200,000 for consulting services provided.

Bank Loans

In July 2018, the Company borrowed $860,000 CAD from the Bank of Montreal at an interest rate of 5.95% for a 24-month term. The Company used these proceeds to pay off all remaining bank loans outstanding at that date.

From July 16, 2018 through July 24, 2019, the Company entered into $464,000 of convertible notes, with interest rates between 5%-10%, at conversion rates between $0.03-$0.07. All notes were issued for a one-year term.

On August 27, 2018, the Company entered into a Future Receivable Sale, agreeing to payout all future cash flows from a receivable which has a balance of $143,132 CAD at an interest rate of 11%. The Future Receivable Sale was sold for $110,000 CAD.

On December 10, 2018, the Company entered into a Future Receivable Sale, agreeing to payout all future cash flows from a receivable which has a balance of $128,000 CAD at an interest rate of 11%. The Future Receivable Sale was sold for $100,000 CAD.

On March 27, 2019, the Company entered into a Future Receivable Sale, agreeing to payout all future cash flows from a receivable which has a balance of $53,760 CAD at an interest rate of 10%. The Future Receivable Sale was sold for $42,000 CAD.

On February 11, 2019, the Company entered into a Future Receivable Sale, agreeing to payout all future cash flows from a receivable which has a balance of $170,000 at an interest rate of 20%. The Future Receivable Sale was sold for $125,000.

On May 10, 2019, the Company entered into a loan agreement in the amount of $300,000 CAD at an interest rate of 20.75% over 12 months.

On October 6, 2018, the Company entered into a loan agreement in the amount of $70,000 CAD at an interest rate of 12.05% over 12 months.

On November 26, 2018, the Company entered into a loan agreement in the amount of $150,000 CAD at an interest rate of 13.55% over 12 months.

On June 6, 2019, the Company entered into a loan agreement in the amount of $150,000 CAD at an interest rate of 13.55% over 12 months.

On July 11, 2018, the Company entered into a loan agreement in the amount of $30,000 CAD at an interest rate of 8.60% over 12 months.

Formations and Acquisitions

Upon buying the assets and IP of Morning SAS, Snakes & Lattes Publishing SAS was founded. This company is owed 100% by Snakes & Lattes Inc. Snakes & Lattes Publishing SAS is based out of Toulouse, France, and was registered on May 24, 2018. The main activity is to license, develop, publish and sell board games over the world. The assets are mainly comprised of IP of future games such as "Kill the Unicorn" and "Red Panda."

On July 2018, The Company created Snakes & Lattes USA Corp out of Wyoming, USA, which is owned 100% by AMFIL Technologies Inc. The main objective of this entity is to hold assets and employ collaborators for all activities in the USA

On March 2019, The Company founded Snakes & Lattes Tucson, LLC out of Pima County, Arizona. This company is owned 100% by AMFIL Technologies Inc. and its objective is to operate a Snakes & Lattes location out of Tucson, AZ. A lease for a location was signed in May 2019.

On July 15, 2019, The Company created Snakes & Lattes Charlotte, LLC, which is owned 100% by Snakes & Lattes USA Corp. This company was founded in order to negotiate a lease in Charlotte, North Carolina, and the main objective is to operate a Snakes & Lattes location out of Charlotte upon signature of the lease.