Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

THC Farmaceuticals, Inc.

A Utah Corporation

1000 Newbury Road, Suite 138 B Thousand Oaks, CA 91320

(805) 978-5609

www.cbdg.com

SIC #2834

Quarterly Report
For the Period Ending: December 31, 2019
(the "Reporting Period")

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

16,631,600

As of September 30, 2019, the number of shares outstanding of our Common Stock was:

16,631,600

As of September 30, 2019, the number of shares outstanding of our Common Stock was:

16,631,600

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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[1] "Change in Control" shall mean any events resulting in:

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

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

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being

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

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

THC Farmaceuticals, Inc. The issuer was originally incorporated under the name City Media, Inc. and subsequently changed its name to THC Farmaceuticals, Inc. on February 15, 2015.

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

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading symbol:	CBDG	
Exact title and class of securities outstanding:	Common Shares	
CUSIP:	177887106	
Par or stated value:	$0.001	
Total shares authorized:	90,000,000	as of date: 12/31/2019
Total shares outstanding:	16,631,600	as of date: 12/31/2019
Number of shares in the Public Float[2]:	3,825,268	as of date: 12/31/2019
Total number of shareholders of record:	67	as of date: 12/31/2019

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

Trading symbol:	N/A	
Exact title and class of securities outstanding:	_____	
CUSIP:	_____	
Par or stated value:	_____	
Total shares authorized:	_____	as of date: _____
Total shares outstanding:	_____	as of date: _____

Transfer Agent

Name: Action Stock Transfer
Phone: 801-274-1088
Email: www.actionstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?[3] Yes: ☒ No: ☐

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

NONE

converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

[3] To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

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

NONE

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☒

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date September 30, 2017 Common: 15,131,600 Preferred: 0			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g. new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
9/7/2018	Issuance	1,500,000	Common	0.689	No	CBDual	Acquisition	Restricted	N/A
Shares Outstanding on Date of This Report: Ending Balance Ending Balance: Date 12.31.2019 Common: 16,631,600 Preferred: 0									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding any issuance of promissory notes, convertible notes, or convertible debentures, or any other debt instruments that may be converted into a class issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)

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

N/A

4) Financial Statements

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

☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)[4]:

Name: Michael Handelman
Title: CPA (inactive)
Relationship to Issuer: Consultant

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

C. Balance sheet;
D. Statement of income;
E. Statement of cash flows;
F. Statement of Changes in Shareholders' Equity
G. Financial notes; and
H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

[4] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

Through CBDual Biotechnology Corp., The Company is preparing to conduct clinical trials involving Cannabis related products it has designed to fight and prevent periodontal disease and other health issues. The Company also owns, maintains and places automated teller machines ("ATMs") at high traffic consumer locations in Salt Lake City, Utah and surrounding cities.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's their business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

See footnotes to the accompanying financial statements

C. Describe the issuers' principal products or services, and their markets

Principal products are ATM machines, servicing consumers in the Salt Lake City, Utah area. In addition, on March 10, 2015, the Company filed US patent No. 14-638,939 related to digital currency wallets and specifically to wallets that securely hold multiple currencies. On March 12, 2015, the Company acquired an eighty percent interest in US Patent Application No. 14/564,672 and PCT Application No. PCT/US15/18820, for $8,532. The patents relate to methods of producing antibody-rich cannabis and honeysuckle plants.

6) Issuer's Facilities

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

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

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

The Company, through a subsidiary, leases 1400 sq. ft. of office and medical space in a medical plaza located at 1000 Newbury Road, Suite 138 in Thousand Oaks, California.

7) Officers, Directors, and Control Persons

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

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% of more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Mike Gravel	CEO	1000 Newbury Rd Thousand Oaks, Ca 91320	15,000	Common	0.01	_____
Mark Grossman	Director	1000 Newbury Rd Thousand Oaks, Ca 91320	0	Common	0.0	_____
New Compendium Corp (Control Person: Sadia Barrameda)	Owner of more than 5%	PO Box 1363 Discovery Bay, CA 94505	10,720,100	Common	64.4%	_____
Dave Tobias	Owner of more than 5%	PO Box 1236 Islamorada, FL 33036	2,807,500	Common	16.9%	_____

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

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

N/A

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

N/A

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

N/A

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

N/A

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

N/A

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Gary R. Henrie
Firm: Gary R. Henrie, Attorney at Law
Address 1: PO Box 107
Address 2: Nauvoo, IL
Phone: 309-313-5092
Email: grhlaw@hotmail.com

Accountant or Auditor

Name: Michael Handelman CPA (inactive)
Address 1: 3210 Rickey Court
Address 2: Thousand Oaks, CA 91362
Phone: 805-341-2631
Email: mhandelmangroup@gmail.com

Investor Relations Consultant

Name: N/A
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: N/A
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Name: N/A
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Mike Gravel certify that:

1. I have reviewed this quarterly disclosure statement of THC Farmaceuticals, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 20, 2020

/s/Mike Gravel (CEO's signature)

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Mike Gravel certify that:

1. I have reviewed this quarterly disclosure statement of THC Farmaceuticals, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 20, 2020

/s/Mike Gravel (CFO's signature)

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

THC Farmaceuticals, Inc.
Consolidated Balance Sheets
(unaudited)

	December 31, 2019	September 30, 2019
ASSETS		
Current assets		
Cash	$ 3,363	$ 2,550
Accounts Receivable	1,542	1,442
Deposits and Prepayments	25,000	25,000
Loans Receivable - Related Parties	621,513	621,513
Total current assets	651,418	650,505
Property, Plant and Equipment, net	8,123	8,361
Intangible Assets	1,015,709	1,015,709
Total Assets	$ 1,675,250	$ 1,674,575
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 7,844	$ 10,811
Accrued expenses	44,802	44,802
Accrued interest related parties	577	577
Advances from related parties	127,349	114,025
Note payable - related party	341,724	916,724
Total current liabilities	522,296	1,086,939
Commitments and Contingencies	-	-
Stockholders' Deficit:		
Preferred stock, par value $0.001, 10,000,000 shares authorized No shares issued and outstanding as of December 31, 2019 and September 30, 2019, respectively	-	-
Common stock, par value $0.001, 90,000,000 shares authorized 16,631,600 and 15,131,600 shares issued and outstanding as of December 31, 2019 and September 30, 2019, respectively	16,631	16,631
Additional paid in capital	3,536,792	3,086,792
Non-controlling interest	(560,294)	(617,838)
Accumulated deficit	(1,840,175)	(1,897,949)
Total Stockholders' Equity	1,152,954	587,636
Total Liabilities and Stockholders' Equity	$ 1,675,250	$ 1,674,575

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

THC Farmaceuticals, Inc.
Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended	
	December 31, 2019	**December 31, 2018**
Revenue	$ 5,027	$ 3,475
Cost of goods sold	-	-
Gross Profit	5,027	3,475
Operating Expenses:		
General and administrative	14,471	33,760
Depreciation	238	238
Total operating expenses	14,709	33,998
Loss from operations	(9,682)	(30,523)
Other (Income) Expense		
Gain on extinguishment of debt	(125,000)	-
Total Other (Income) Expense	(125,000)	-
Net Income (Loss) Before Income Taxes	115,318	(30,523)
Income Tax Expense	-	-
Net Income (Loss)	115,318	(30,523)
Loss attributable to non-controlling interest	57,544	(15,231)
Net Income (Loss) Attributable to THC Farmaceuticals, In	$ 57,774	$ (15,292)
Net income (loss)		
-Basic	$ (0.01)	$ (0.01)
-Diluted	$ (0.01)	$ (0.01)
Weighted average common shares outstanding		
-Basic	16,631,600	16,631,600
-Diluted	16,631,600	16,631,600

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

THC Farmaceuticals, Inc.
Consolidated Statements of Stockholders' Equity
(unaudited)

	Common Shares $0.0001 Par Value		Preferred Shares $0.0001 Par Value					
	Shares Issued	Amount	Shares Issued	Amount	Additional Paid-In Capital	Accumulated Deficit	Non Controlling Interest	Equity (Deficit)
Balance, September 30, 2019	16,631,600	$ 16,631		-	$3,086,792	$(1,897,949)	$ (617,838)	$ 587,636
Issuance of stock options for extinguishment of debt					450,000			450,000
Net Income						57,774	57,544	$ 115,318
Balance, December 31, 2019	**16,631,600**	**$ 16,631**	**-**	**-**	**$3,536,792**	**$(1,840,175)**	**$ (560,294)**	**$1,152,954**
Balance, September 30, 2018	16,631,600	$ 16,631		-	$3,086,792	$(1,292,695)	$ (15,000)	$ 1,795,728
Net loss						(15,292)	(15,231)	$ (30,523)
Balance, December 31, 2018	**16,631,600**	**$ 16,631**	**-**	**-**	**$3,086,792**	**$(1,307,987)**	**$ (30,231)**	**$1,765,205**

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

THC Farmaceuticals, Inc.
Consolidated Statements of Cash Flows
(unaudited)

	For the Three Months Ended	
	December 31, 2019	**December 31, 2018**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 115,318	$ (30,523)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Gain on extinguishment of debt	(125,000)	
Depreciation expense	238	238
Changes in operating liabilities		
Accounts receivable	(100)	
Accounts payable	(2,967)	1,025
Net Cash Used in Operating Activities	(12,511)	(29,260)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from related parties	13,324	40,000
Net Cash Provided by Financing Activities	13,324	40,000
Net Increase in Cash	813	10,740
Cash at Beginning of Period	2,550	31,714
Cash at End of Period	$ 3,363	$ 42,454
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ -	$ -
Income taxes paid	$ -	$ -

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

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

City Media, Inc. (the "Company") was incorporated in the state of Utah on April 14, 2005. On September 24, 2010, the Company acquired Charta Systems, Inc. a Utah corporation in a stock exchange reverse acquisition. The acquisition is accounted for as a reverse merger and Charta is considered to be the accounting acquirer. Accordingly, the historical financial information included in the financial statements is that of Charta. During the quarter ended December 31 2014 control of the company was acquired by Weed Growth Fund, Inc. (WEDG) a Nevada corporation in-turn controlled by New Compendium Corporation a Colorado corporation. On February 2015 the Company changed its name to THC Farmaceuticals, Inc. On July 8, 2015 the Company organized Terpene Research Labs, Ltd. under the laws of the state of Colorado as a wholly owned subsidiary.

The Company owns, maintains and places automated teller machines ("ATMs") at high traffic consumer locations in Salt Lake City, Utah and surrounding cities.

With the organization of its subsidiary and the acquisition of certain assets the Company has expanded its business to include the research and development of technologies to facilitate the legal production and sale of hemp, medical marijuana and /or legal recreational cannabis.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include assumptions made in estimated useful lives of property and equipment, assumptions inherent in a purchase price allocation, accruals for potential liabilities, certain assumptions used in deriving the fair value of derivative liabilities, share-based compensation and beneficial conversion feature of notes payable, and realization of deferred tax assets.

Stock-Based Compensation

The Company periodically issues stock options and warrants to employees and non-employees in non-capital raising transactions for services and for financing costs. The Company accounts for stock option and warrant grants issued and vesting to employees based on the authoritative guidance provided by the Financial Accounting Standards Board whereas the value of the award is measured on the date of grant and recognized over the vesting period. The Company accounts for stock option and warrant grants issued and vesting to non-employees in accordance with the authoritative guidance of the Financial Accounting Standards Board whereas the value of the stock compensation is based upon the measurement date as determined at either a) the date at which a performance commitment is reached, or b) at the date at which the necessary performance to earn the equity instruments is complete. Non-employee stock-based compensation charges generally are amortized over the vesting period on a straight-line basis. In certain circumstances where there are no future performance requirements by the non-employee, option grants are immediately vested and the total stock-based compensation charge is recorded in the period of the measurement date.

The fair value of the Company's common stock option and warrant grants is estimated using the Black-Scholes option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes option pricing model and based on actual experience. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

Fair Value of Financial Instruments

The Company follows paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments and paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1	Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2	Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3	Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company's other financial assets and liabilities, such as cash, accounts receivable, prepaid expense, accounts payable and accrued payables, advances from related parties and notes payable, approximate their fair values because of the short maturity of these instruments.

Acquisitions and Business Combinations

The Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and separately identified intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from, acquired technology, trade-marks and trade names, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

All of the Company's accounts receivable balance is related to trade receivables. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts, if any, is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company will maintain allowances for doubtful accounts, estimating losses resulting from the inability of its customers to make required payments for products. Accounts with known financial issues are first reviewed and specific estimates are recorded. The remaining accounts receivable balances are then grouped into categories by the amount of days the balance is past due, and the estimated loss is calculated as a percentage of the total category based upon past history. Account balances are charged off against the allowance when it is probable that the receivable will not be recovered.

Net Income (Loss) Per Share

Basic earnings (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the weighted-average number of common shares and the dilutive effect of contingent shares outstanding during the period. Potentially dilutive contingent shares, which primarily consist of convertible notes, stock issuable to the exercise of stock options and warrants have been excluded from the diluted loss per share calculation because their effect is anti-dilutive. At December 31, 2019, and September 30, 2019 the Company had 1,500,000 and 0 options outstanding, respectively,

Segments

The Company determined its reporting units in accordance with ASC 280, "Segment Reporting" ("ASC 280"). Management evaluates a reporting unit by first identifying its' operating segments under ASC 280. The Company then evaluates each operating segment to determine if it includes one or more components that constitute a business. If there are components within an operating segment that meet the definition of a business, the Company evaluates those components to determine if they must be aggregated into one or more reporting units. If applicable, when determining if it is appropriate to aggregate different operating segments, the Company determines if the segments are economically similar and, if so, the operating segments are aggregated.

Management has determined that the Company has one consolidated operating segment. The Company's reporting segment reflects the manner in which its chief operating decision maker reviews results and allocates resources. The Company's reporting segment meets the definition of an operating segment and does not include the aggregation of multiple operating segments.

Principles of Consolidation

The consolidated financial statements of the Company include those of the Company and its subsidiary for the periods in which the subsidiary was owned/held by the Company. All significant intercompany accounts and transactions have been eliminated in the preparation of the consolidated financial statements.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the assets, which range from three to seven years. Expenditures for major renewals and betterments that extend the original estimated economic useful lives of the applicable assets are capitalized. Expenditures for normal repairs and maintenance are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss is included in operations.
The primary nature of the Company's equipment is ATMs. The ATMs are depreciated utilizing a straight line method. The useful life of each machine is approximately twelve years. The remaining useful lives on the machines we are currently utilizing ranges from zero to seven years. The Company has a policy to immediately expense equipment with a cost of less than $400.

Intangibles

The Company uses assumptions in establishing the carrying value, fair value and estimated lives of the Company's long-lived assets and goodwill. The criteria used for these evaluations include management's estimate of the assets' continuing ability to generate positive income from operations and positive cash flow in future periods compared to the carrying value of the asset, the strategic significance of any identifiable intangible asset in its business objectives, as well as the market capitalization of the Company. Cash flow projections used for recoverability and impairment analysis use the same key assumptions and are consistent with projections used for internal budgeting, and for lenders and other third parties. If assets are considered to be impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets. Useful lives and related amortization or depreciation expense are based on the Company's estimate of the period that the assets will generate revenues or otherwise be used by Kronos. Factors that would influence the likelihood of a material change in the Company's reported results include significant changes in the assets' ability to generate positive cash flow, loss of legal ownership or title to the asset, a significant decline in the economic and competitive environment on which the asset depends, significant changes in the Company's strategic business objectives, and utilization of the asset.

Income Taxes

Income taxes are accounted for in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. 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. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amounts expected to be realized, but no less than quarterly. Currently the company has not valued any NOL because of the expectation that it will not be used.

Research and Development Expenses

Costs related to research and development are charged to research and development expense as incurred.

Revenue Recognition

The Company accounts for revenues in accordance with Accounting Standards Codification ("*ASC*") 606, *Revenue from Contracts with Customers*. The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which includes (1) identifying the contract(s) or agreement(s) with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. Under ASC 606, revenue is recognized when performance obligations under the terms of a contract are satisfied, which occurs for the Company upon shipment or delivery of products or services to our customers based on written sales terms, which is also when control is transferred. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring the products or services to a customer.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This ASU establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. This ASU and all the related amendments are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company adopted this guidance in the first quarter of fiscal 2020, the quarter ended December 31, 2019 using the optional transitional method afforded under ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. Results for reporting periods beginning after the adoption date are presented under Topic 842, while prior period amounts are not adjusted and continue to be reported in accordance with the Company's historic accounting under ASC 840 (see Note 7 - Leases).

The Company elected and applied the available transition practical expedients. By electing these practical expedients, the Company did:

a. not reassess whether expired or existing contracts contain leases under the new definition of a lease;

b. not reassess lease classification for expired or existing leases; and

c. not reassess whether previously capitalized initial direct costs would qualify for capitalization under Topic 842.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The amendments in this ASU replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This ASU is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019. In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments - Credit Losses. The amendments in this ASU align the implementation date for nonpublic entities' annual financial statements with the implementation date for their interim financial statements. In addition, the amendment clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20; instead impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842: Leases. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In April 2019, the FASB issued ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825 Financial Instruments. The amendments in this ASU further clarify certain aspects of ASU No. 2016-13. For entities that have not yet adopted ASU No. 2016-13, this ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In May 2019, the FASB issued ASU No. 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief. The amendments in this ASU provide transition relief for ASU No. 2016-13 by providing an option to irrevocably elect the fair value option for certain financial assets measured at an amortized cost basis. For entities that have not yet adopted ASU No. 2016-13, this ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the impact this ASU will have on its financial statements and related disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statement presentation or disclosures.

NOTE 3. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The Company is dependent upon raising additional capital and without realization of such it would be unlikely for the Company to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty. As of the date of these statements, management has organized a subsidiary and acquired certain assets to expand its business into the research, development and production of legalized hemp, medical marijuana and /or legal recreational marijuana products. Management plans to continue to seek funding from its shareholders and other qualified investors to pursue its business plan.

NOTE 4. ACQUSITION OF CERTAIN ASSETS

On January 5, 2015, the Company entered into an agreement with the Las Vegas Cannabis Info Center (LVCIC) wherein the Company acquired a thirty percent (30%) interest in LVCIC in exchange for 25,000 common shares and a cash payment of $25,000. LVCIC is a resource and learning center conducting classes in marijuana dispensary management, law, marketing, advertising, cultivation and cooking.

On January 5, 2005, the Company entered into an agreement with a related party to acquire certain intangible assets valued at $1,000,000 thru the issue of 3,000,000 common shares. The assets include the domain name "hempcoin.com;" 2,399,074,298.5 hempcoins (HMP); and all intellectual property associated with hempcoin.com, hempcoin purse, and hempcoin as a crypto currency. The purchase includes all copyrights, trademarks, and patents whether registered or unregistered, statutory or common law and any rights to claim or register such intellectual property.

On March 10, 2015 the Company filed US patent No. 14-638,939 related to digital currency wallets and specifically to wallets that securely hold multiple currencies. No value has been recorded for this asset.

On March 12, 2015, the Company acquired an eighty percent (80%) interest in US Patent Application No. 14/564,672 and PCT Application No. PCT/US15/18820, for $8,532. The patents relate to methods of producing antibody-rich cannabis and honeysuckle plants.

On June 9, 2015, the company entered into an asset Purchase agreement with Rocky Mountain Ayre, Inc., (RMTN) a Delaware corporation. Wherein RMTN agreed to purchase the domain name "hempcoin.com"; 1,500,000,000 hempcoins; and all intellectual property associated with hempcoin.com, hempcoin purse, and hempcoin crypto currency, including copyrights, trademarks, patents etc. The Company received 8,745,000 restricted common shares of RMTN stock which represents approximately Twenty percent (20%) of RMTN outing stock. The agreement includes provisions for the Company to provide annual development costs and server fees of a maximum of $10,000 associated with the promotion of hempcoins.

The Company recorded $787,050 as an investment in affiliates using the equity method for this investment in RMTN. The sale of the 1.5Billion hempcoins leaves the Company with a balance of 899,074,298.5 hempcoins which are included as an intangible asset with a recorded value of $.

During the Quarter ended March 31, 2018 but not finalized until the Quarter ended June 30, 2018 the Company entered into a Rescission Agreement that called for the return of 500,000,000 iCoins previously delivered to RMTN. Further, the Rescission Agreement called for the Company to return to RMTN 7,870,500 of RMTN's restricted common shares reducing the Company's investment in RMTN to approximately 2%. The Rescission resulted in the Company recognizing and extraordinary loss of $589,918.

On September 7, 2018 the Company issued 1,500,000 shares of common stock to acquire a 50.1% equity interest of CBDual Biotechnology Corp.

A summary of Intangible Assets for the fiscal year ended December 31, 2019 and the fiscal year ended September 30, 2019 follows:

Intangible Assets:	December 31, 2019	September 30, 2019
Intellectual Property - Patent	$ 8,532	$ 8,532
Goodwill	1,037,000	1,037,000
Less:		
Amortization of goodwill	(29,823)	(29,823)
Total Intangible Assets	$ 1,015,709	$ 1,015,709

NOTE 5. INVESTMENT IN AFFILIATE

In November, 2019 the Company entered into an agreement with HempCigNet, Inc., a Colorado corporation. HempCigNet, Inc (HCN) was incorporated for the purpose of this agreement and to enter the Cannabis L (HEMP) and/or Cannabis Sativa and/or Cannabis Indica cigarette vending business for placement in licensed dispensaries. The Company agreed to purchase, pursuant to section 1244 of the Internal Revenue Code of 1986, as amended, 25,000,000 shares of common stock of HCN for 1,000,000 common stock shares of the Company. As of December 31, 2019 the shares have not been issued.

NOTE 6. RELATED PARTY TRANSACTIONS

Service Agreement:

The Company has a Service Agreement with Wasatch ATM ("Wasatch"), a Utah limited liability corporation owned and managed by a Company stockholder. The agreement provides for Wasatch to provide all maintenance, repair and service work along with distribution of vault cash. Currently the agreement provides for a rate of $1,500 per month.

NOTE 7. STOCKHOLDERS' EQUITY

Preferred Stock

The Company is authorized to issue 10,000,000 preferred shares at a par value of $0.001 per share. As of December 31, 2019, no preferred shares are issued and outstanding.

Common Stock

The Company is authorized to issue 90,000,000 common shares at a par value of $0.001 per share. As of December 31, 2019, the Company has a total of 16,631,600 shares of common stock issued and outstanding.

On November 11, 2014 the Company issued 3,003,600 common shares in return for the of all Company debts estimated to be $100,000. Because of the limited activity in the public market the shares were valued at $0.30 per share resulting in the Company recording an $801,080 extraordinary loss.

On January 5, 2015, the Company issued 25,000 common shares and $25,000 to purchase assets valued at $50,000 accounted for using the equity method. Because of the limited activity in the public marked the shares were recorded using the value of the interest purchased.

On January 5, 2015, the Company issued 3,000,000 common shares to a related party to acquire assets valued at $1,000,000. Because of the limited activity in the public marked the shares were recorded using the value of the interest purchased.

On January 8, 2015, the Company issued 15,000 common shares for consulting services valued at $15,000.

On August 20, 2015, the Company issued 180,000 common shares for consulting services valued at $36,000.

In September, 2018 the Company issued 1,500,000 shares for acquiring 50.1% of CBDual Biotechnology Corp.

NOTE 8. SUBSIDIARY AGREEMENTS

On September 11, 2015, the Company and its subsidiary Terpene Research Labs, Ltd. (TRL) entered into a development and marketing agreement with Cannabis Sativa, Inc. a Nevada corporation (CBDS). Provisions of the agreement include:

a. The development of terpene-based products from CBDS' patent pending strain of Cannabis known as CTA.
b. The Company is to receive non-exclusive right to sell terpene products developed by TRL from CBDS' CTA Cannabis for the payment of 10,000,000 hempcoins and a five percent (5%) royalty.
c. CBDG will pay CBDS a thirty-five percent (35%) on all gross revenue received from licensing such terpene products.
d. CBDS shall retain the right to sell products developed by TRL under its "HI" brand and will pay TRL a five percent (5%) royalty on such sales.
e. CBDS shall pay CBDG a thirty-five percent royalty on gross revenue received from CBDS' licensing TRL products to third parties.
f. CBDG shall have the all rights to CTA products developed by TRL for distribution outside North America.

NOTE 8. GAIN ON EXTINGUISHMENT OF DEBT

On December 31, 2019, the Company entered into a settlement agreement for this debt to a related party, whereby the Company issues a 5 year option to purchase up to 1,500,000 common shares of the Company at an exercise price of $0.29 per share and $575,000 of debt is extinguished. The value of the options was determined to be $450,000. A gain on extinguishment of $125,000 was recorded in other income.

NOTE 9. SUBSEQUENT EVENTS

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855 after the balance sheet date through the date the financial statements were issued.

The Company did not identify any additional material events or transactions occurring during this subsequent event reporting period that required further recognition or disclosure in these financial statements.