UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended August 31, 2019

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to ________

Commission file number: 000-52759

BESPOKE EXTRACTS, INC.
(Exact name of registrant as specified in its charter)

Nevada	20-4743354
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
323 Sunny Isles Blvd., Suite 700, Sunny Isles, Florida	33160
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (855) 633-3738

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value $0.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was approximately $1.9 million.

As of December 4, 2019, there were 105,389,621 shares of common stock, par value $0.001 per share, issued and outstanding.

Bespoke Extracts, Inc.

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PART I

This Annual Report on Form 10-K may contain forward-looking statements. Such forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management and involve risks and uncertainties. Forward-looking statements include statements regarding our plans, strategies, objectives, expectations and intentions, which are subject to change at any time at our discretion. Forward-looking statements include our assessment, from time to time of our competitive position, the industry environment, potential growth opportunities and the effects of regulation. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "estimates," "expects," "hopes," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We discuss many of these risks in greater detail in "Risk Factors." Given these uncertainties, undue reliance should not be placed on these forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this report. Our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update these forward-looking statements publicly.

As used in this annual report, the terms "we", "us", "our", the "Company", "Bespoke Extracts, Inc." and "Bespoke" mean Bespoke Extracts, Inc. unless otherwise indicated.

Item 1. Business.

Our Corporate History

We were incorporated in the State of Colorado on July 29, 1988 under the name Cine-Source Entertainment, Inc. On April 27, 2004, the Company changed its name to First Quantum Ventures, Inc. On April 13, 2006, the Company changed its name to First Quantum Ventures, Inc., and on May 5, 2006, the Company reincorporated in Nevada. On March 15, 2012, the Company changed its name to DiMi Telematics International, Inc.

In early 2017, our management team elected to suspend further investment and working capital on developing its then-existing technology and business prospects, turning its attention to the hemp-derived cannabidiol, or CBD, market. On March 10, 2017, the Company changed its name to Bespoke Extracts, Inc. to align the Company's corporate identity with its new business plan.

The Company is now focused on selling its proprietary line of premium quality, all natural cannabidiol (CBD) products in the form of tinctures and capsules for the nutraceutical and veterinary markets, which it introduced in mid-2018. Produced using pure, all natural, zero-THC phytocannabinoid-rich ("PCR") hemp-derived CBD, our products are marketed as dietary supplements and distributed through our direct-to-consumers ecommerce store, found at www.BespokeExtracts.com. In the future, we plan to also sell through select specialty retailers, pharmacies/dispensaries and care providers.

The Cannabis Market

Over 33 states have already legalized medical cannabis, and adult-use cannabis is now legal at the statewide level in 11 U.S. markets. According to Arcview Market Research and BDS Analytics in their seventh edition of "State of Legal Cannabis Markets" reports, 2018 showed a growth rate of 20 percent in the global sales of cannabis in regulated markets, with sales on track to surge 36 percent to $14.9 billion in 2019 and break $40 billion by 2024. In 2018, the FDA approved GW Pharmaceutical's Epidiolex and passed the 2018 Farm Bill legalizing industrial hemp cultivation in the United States. These decisions being made at the federal level put pharmacies and general retailers in the business of selling CBD-based products in all 50 states. In the U.S. alone, Arcview and BDS researchers noted that sales of CBD products in all channels will hit $20 billion by 2024.

CBD, one of over 80 active cannabinoid chemicals found in cannabis, is the major non-psychoactive component of the plant *Cannabis sativa L.*; and is proving to be an effective treatment for a number of health conditions affecting adults, children and pets. While U.S. companies cannot legally make medical claims about CBD or its uses, there are countless scientific research studies showing potential therapeutic indications for CBD, demonstrating that it works well with body cells to improve immunity and is even produced naturally in the human brain.

According to a 2013 study published in the *British Journal of Clinical Pharmacology*, CBD benefits include acting in some experimental models as an anti-inflammatory, anticonvulsant, antioxidant, antiemetic, anxiolytic and antipsychotic agent; and CBD is therefore a potential medicinal treatment for neuroinflammation, epilepsy, oxidative injury, vomiting and nausea, anxiety and schizophrenia. Moreover, there have been dozens of other peer-reviewed studies suggesting that CBD may have therapeutic value for medical indications including bipolar disorder, cancer, glaucoma, HIV/AIDS, Huntington's Disease, Crohn's Disease, Multiple Sclerosis, Parkinson's Disease, PTSD, rheumatoid arthritis and Tourette's Syndrome.

Due to the growing body of published research supporting the promising therapeutic benefits of CBD, the demand for CBD products has been increasing rapidly. Consequently, there has been a steady stream of new CBD products being sold online and in smoke shops, drugstore, grocery and pet care aisles. Interest in the hemp-derived compound has been further fueled by the passing of the 2018 Farm Bill, which legalized domestic hemp production in December 2018, and is now impacting industries as diverse as cosmetics, food and beverage and pharmaceuticals. Mainstream retailers, including Walgreens, Sprout, CVS, Ulta Beauty, GNC Holdings and Urban Outfitters, among many others, are now offering or looking to offer CBD products to consumers.

Introductory Product Line

Generally speaking, our management believes most CBD products for oral consumption available on the market have an earthy, bitter taste that some observers suggest is reminiscent of chlorophyll. The centerpiece of our introductory retail product line is our great-tasting, flavor-infused tinctures, formulated using only premium, organic ingredients. In addition, we will also market CBD extract in capsule form. As our Company matures, we expect to expand our proprietary CBD products to include a much broader range of flavors and form factors. Launched in late summer 2018, our official market debut showcased the following introductory products:

- **Manuka Honey CBD Tincture**: 1000 mg of all-natural, pure hemp-derived CBD extract infused with raw, organic, UMF16+ Manuka Honey – available in a 60ml tincture;

- **Lemon Lime CBD Tincture for Sport**: 1500 mg of all-natural, pure hemp-derived CBD extract –available in 60ml tincture;

- **Bacon CBD Tincture for Pets**: 500 mg of all-natural, smoked bacon-flavored, pure hemp-derived CBD extract – available in 2 fluid ounce tincture with convenient spray top for dosing on pet food; and

- **CBD Gelcaps**: 1500 mg of all-natural, pure hemp-derived CBD extract in gelcap form – containing 30 gelcaps with 50 mg each.

Supply, Manufacturing and Logistics

Our management believes that some companies operating in the CBD oil industry tend to emphasize sales and quantity over quality and safety. Over the past several years, the U.S. Federal Drug Administration ("FDA") has issued several warning letters to firms that market unapproved new drugs that allegedly contain CBD. As part of these actions, the FDA has tested the chemical content of cannabinoid compounds in some of the products, and many were found to not contain the levels of CBD they claimed to contain – several were found to have no CBD.

All of our flavor-infused tinctures and capsules are formulated using pure, all natural, zero-THC phytocannabinoid-rich ("PCR") hemp-derived CBD sourced from one of the largest, fully and vertically integrated producers of PCR hemp oil. All CBD isolates and oils are authenticated by an independent third party via issuance of a Certificate of Analysis ("COA"), which cannabinoid content and profile, microbiological content, heavy metal content, pesticide content, and residual solvent content. We recognize the importance of compliance and is partnered with one of the industry's leading CGMP certified extraction facilities. This ensures the consistency and quality of our product line and brand.

Through its proprietary engineering process, our American-based supplier isolates and removes any unwanted compounds – while creating the maximum potency level of phytocannabinoids and terpenes – cold, enclosed and continuous manufacturing processes prevents the degradation of natural molecules during extraction and purification. Made and derived from non-GMO, USA-grown hemp, its PCR hemp oil and isolate powder are subjected to a rigorous testing system – both in-house and verified through independent, third party labs – which ensures accurate levels of phytocannabinoids and confirms the absence of THC. Our products contain only the highest level of naturally derived CBD, more than 99.5% pure, and never contain any THC.

We believe that a key differentiator of our finished products is the superb quality of ingredients we source from the industry's leading suppliers, each of whom we have carefully vetted and qualified.

For instance, raw Mānuka honey used in our products is imported directly from the north island of New Zealand from a supplier which has been supplying quality bee products since 1974. Mānuka honey is believed to be one of the most unique and beneficial forms of honey in the world and may carry the industry's highest UMF®16+ rating, distinguishing it as superior high-grade Manuka. Produced by bees that pollinate the native Manuka bush, possible Mānuka honey uses range from healing sore throats and digestive illnesses to curing Staph infections and gingivitis. All other flavorings infused in our products – including our all-natural, organic lemon lime flavor used in our Bespoke Sport offering -- are also sourced from reputable suppliers.

Fulfillment of orders from our online customers is managed by a well-established third-party logistics partner.

Sales and Marketing

We currently sell our products through our website.

Management believes that the traditional retail environment is currently experiencing notable economic instability due largely to the global shift in consumer purchasing behaviors – with online shopping/ecommerce sites rapidly overtaking brick-and-mortar stores as consumer preferred shopping venues. In view of this retailing reality, we have adopted a Direct-to-Consumer sales model that is anchored by an ecommerce website whereby we educate, sell, and ship our CBD products directly to consumers. In addition, we also plan to market our CBD products on a wholesale basis to select specialty retailers, dispensaries and physicians.

Our marketing initiatives include the use of social marketing, social influence marketing, direct response marketing, inbound marketing, email marketing, Search Engine Optimization ("SEO") and content marketing, among other proven strategies to generate and convert sales prospects into loyal, satisfied customers. We will also explore utilizing coupon and deal sites to drive traffic to our website and retailers, as well as participate in select industry conferences to promote our brand and build greater awareness of our products among prospective business partners and consumers.

The Difference Between Hemp and Marijuana

Both marijuana and hemp come from the same species of plant called "Cannabis Sativa L." However, cultivators of the cannabis plant have manipulated it over the years to encourage specific traits to become dominant. Cannabis plants contain unique compounds called cannabinoids. Current research has revealed over 80 different cannabinoids thus far, but management believes THC is the most well-known and is credited with causing the marijuana high. While marijuana plants contain high levels of THC, hemp contains very little of the psychoactive chemical. The foregoing is one of the differences which distinguishes hemp from marijuana.

Hemp was originally cultivated nearly 10,000 years ago in what is modern day Taiwan. Ancient cultivators of the cannabis plant recognized that it was dioecious, meaning that it had dual characteristics. Cultivators grew one variety of the cannabis plant to be tall and durable. This became what we now call industrial hemp. Upon discovering that the flower buds of the cannabis plant had psychoactive effects, cultivators began separating the hemp plants from the flowering plants in order to isolate their "medicinal" characteristics.

Scientifically, we now know that industrial hemp plants tend to produce high levels of the cannabinoid CBD, while producing low amounts of THC. Conversely, the marijuana plant produces high THC levels and low CBD levels. This chemical difference dictates the way we use the cannabis plant for medicinal and dietary supplemental purposes.

Federal Legislative Overview

Cannabidiol, or CBD, that is derived from industrial hemp plants — like the CBD used in all products currently being produced or to be produced by Bespoke Extracts — is deemed by the FDA to be a dietary supplement, not a medication. Consequently, in the U.S., no prescription is required to obtain CBD and it can be legally purchased and consumed in all 50 states (and in 40 countries around the world).

In December 2018 with the passing of the 2018 Farm Bill, industrial hemp is now recognized as an agricultural commodity, such as corn, wheat or soybeans. Historically, hemp was an underpinning of American agriculture from the 17th century through the early 1900's. This recent change in modern policy is expected to restore the legacy of American hemp production as a prolific and highly sustainable crop staple. In fact, according to research firm Frontier Data's *Global State of Hemp: 2019 Industry Outlook*, 2018 sales of hemp worldwide were driven by continued strength in Chinese textiles, European industrials, Canadian foods and the U.S. hemp-derived CBD market. However, continued demand in the CBD market "will be the main driving force behind the global hemp market's continued growth," which the firm estimates will reach $5.7 billion by 2020.

Competitive Overview

Given the rapid growth of the U.S. CBD oil industry, hundreds of companies have entered the market. Consequently, the market is becoming highly competitive and we believe to compete in the market requires ensuring the quality and integrity of product offerings. Certain of our competitors have substantially greater financial, distribution, and marketing resources, as well as greater brand awareness than us, and there can be no assurance we will be able to successfully compete.

Our Headquarters

Our corporate headquarters is located at 323 Sunny Isles Boulevard, Suite 700, Sunny Isles Beach, Florida 33160. Our Internet website is www.BespokeExracts.com. The contents of the website are not part of this report.

Employees

As of the date of the filing of this report, we have 1 full-time employee.

Item 1A. Risk Factors.

An investment in the Company's common stock involves a high degree of risk. In determining whether to purchase the Company's common stock, an investor should carefully consider all of the material risks described below, together with the other information contained in this report before making a decision to purchase the Company's securities. An investor should only consider purchasing the Company's securities if he or she can afford to suffer the loss of his or her entire investment.

Risk Related to our Business

We have a history of operating losses, and we may not achieve or maintain profitability in the future.

As of August 31, 2019, we have an accumulated deficit of $14,135,883 and a stockholders' deficit of $31,632. We may never achieve profitability or generate significant revenues.

We will need to raise additional capital, which may not available.

We anticipate that we will need to raise additional capital to execute our business plan and maintain and expand our operations. Additional capital may not be available to us on acceptable terms, or at all. If we are unable to raise additional capital, our business may be harmed and we may need to curtail or cease operations.

We have a limited operating history that impedes our ability to evaluate our potential future performance and strategy.

We began sales of our products in mid-2018. Our limited operating history makes it difficult for us to evaluate our future business prospects and make decisions based on estimates of our future performance. To address these risks and uncertainties, we must do the following:

- Successfully execute our business strategy to establish the "Bespoke Extracts" brand and reputation as a well-managed enterprise committed to delivering premium quality and cost-effective CBD products to the nutraceutical and veterinary markets;
- Respond to competitive developments;
- Execute value-focused pricing strategies that position our tinctures and gelcaps as premium, great tasting, all-natural CBD products offered at a competitive price;
- Effectively and efficiently market and sell our introductory line of CBD products through the development of multi-channel distribution strategies

focused on direct-to-consumer and distribution through wholesale venues including specialty retailers, pharmacies, dispensaries and physician's and veterinarian offices;

- Attract, integrate, retain and motivate qualified personnel.

Our business strategy may not be successful and we may not successfully address these risks. In the event that we do not successfully address these risks, our business, prospects, financial condition and results of operations may be materially and adversely affected.

Our operating results may fluctuate significantly based on customer acceptance of our products. As a result our period-to-period comparisons of our results of operations are unlikely to provide a good indication of our future performance.

Management expects that we will experience substantial variations in our net sales and operating results from quarter to quarter due to customer acceptance of our products. If customers do not accept our products, our sales and revenue will either fail to materialize or decline, resulting in a reduction in our operating income or possible increase in losses.

If we do not successfully develop additional products and services, or if such products and services are developed but not successfully commercialized, we could lose revenue opportunities.

Our future success will depend, in part, on our ability to expand our product offerings. To that end we have engaged in the process of identifying new product opportunities to provide additional products and related services to our customers. The processes of identifying and commercializing new products is complex and uncertain, and if we fail to accurately predict customers' changing needs and preferences, our business could be harmed. We have already and may have to continue to commit significant resources to commercializing new products before knowing whether our investments will result in products the market will accept. Furthermore, we may not execute successfully on commercializing those products because of errors in product planning or timing, technical hurdles that we fail to overcome in a timely fashion, or a lack of appropriate resources. This could result in competitors providing those solutions before we do and a reduction in net sales and earnings.

The success of new products will depend on several factors, including proper new product definition, timely completion, and introduction of these products, differentiation of new products from those of our competitors, and market acceptance of these products. There can be no assurance that we will successfully identify additional new product opportunities, develop and bring new products to market in a timely manner, or achieve market acceptance of our products or that products and technologies developed by others will not render our products or technologies obsolete or noncompetitive.

We may have difficulties managing our Company's growth, which could lead to higher operating losses, or we may not grow at all.

If we succeed in growing our business, such growth could strain our human and capital resources, potentially leading to higher operating losses. Our ability to manage operations and control growth will be dependent upon our ability to raise and spend capital to successfully attract, train, motivate, retain and manage new employees and continue to update and improve our management and operational systems, infrastructure and other resources, financial and management controls, and reporting systems and procedures. Should we be unsuccessful in accomplishing any of these essential aspects of our growth in an efficient and timely manner, then management may receive inadequate information necessary to manage our operations, possibly causing additional expenditures and inefficient use of existing human and capital resources or we otherwise may be forced to grow at a slower pace that could slow or eliminate our ability to achieve and sustain profitability. Such slower than expected growth may require us to restrict or cease our operations and go out of business.

Loss of our chief executive officer could limit our growth and negatively impact our operations.

We depend upon our president and chief executive officer, Niquana Noel, to a substantial extent. The loss of Ms. Noel could have a material adverse effect on our business, results of operations or financial condition.

We will be required to attract and retain top quality talent to compete in the marketplace.

We believe our future growth and success will depend in part on our ability to attract and retain highly skilled managerial, product development, sales and marketing, and finance personnel. We may not succeed in attracting and retaining such personnel. Shortages in qualified personnel could limit our ability to increase sales of existing products and services and launch new product and service offerings.

Our inability to effectively protect our intellectual property would adversely affect our ability to compete effectively, our revenue, our financial condition, and our results of operations.

We may be unable to obtain intellectual property rights to effectively protect our branding, products, and other intangible assets. Our ability to compete effectively may be affected by the nature and breadth of our intellectual property rights. While we intend to defend against any threats to our intellectual property rights, there can be no assurance that any such actions will adequately protect our interests. If we are unable to secure intellectual property rights to effectively protect our branding, products, and other intangible assets, our revenue and earnings, financial condition, or results of operations could be adversely affected.

Our industry is highly competitive, and we have less capital and resources than many of our competitors, which may give them an advantage in developing and marketing products similar to ours or make our products obsolete.

We are involved in a highly competitive industry where we compete with various other nutraceutical companies which offer products similar to the products we sell. These competitors may have far greater resources than we do, giving our competitors an advantage in developing and marketing products similar to ours or products that make our products obsolete. While we believe we are better equipped to customize products for the cannabis market and advise growers on appropriate products to maximize crop yield as compared to traditional nutraceuticals, there can be no assurance that we will be able to successfully compete against these other manufacturers.

U.S. federal, state and foreign regulation and enforcement may adversely affect the implementation of marijuana laws and regulations and may negatively impact our business.

Currently, 33 states and the District of Columbia permit some form of whole-plant cannabis use and cultivation either for medical or recreational use. During the midterm elections in November 2018, two more states voted to legalize medical marijuana use (Missouri and Utah) while one more voted to legalize recreational use (Michigan). Forty-seven states allow or are considering legislation to allow the possession and use of non-psychoactive CBD oil for some medical conditions only. There are efforts in many other states to begin permitting cannabis use and/or cultivation in various contexts, and it has been reported that eleven states are actively considering bills to permit recreational use or to decriminalize the use of marijuana. Nevertheless, the federal government continues to prohibit cannabis in all its forms as well as its derivatives. Under the federal Controlled Substances Act (the "CSA"), the policy and regulations of the federal government and its agencies is that cannabis has no medical benefit, and a range of activities including cultivation and use of cannabis is prohibited. Until Congress amends the CSA or the executive branch deschedules or reschedules cannabis under it, there is a risk that federal authorities may enforce current federal law. Enforcement of the CSA by federal authorities could impair the Company's business; and could even force the Company to cease operating entirely in the cannabis industry. The risk of strict federal enforcement of the CSA in light of congressional activity, judicial holdings, and stated federal policy, including enforcement priorities, remains uncertain.

Risks Related to our Common Stock

There is a limited trading market for our common stock, and investors may find it difficult to buy and sell our shares.

Our common stock is not listed on any national securities exchange. Accordingly, investors may find it more difficult to buy and sell our shares than if our common stock was traded on an exchange. Although our common stock is quoted on the OTCQB, it is an unorganized, inter-dealer, over-the-counter market which provides significantly less liquidity than the Nasdaq Capital Market or other national securities exchange. Further, prior to July 2018 there was minimal reported trading in our common stock, and any significant trading volume in our common stock may not be sustained. These factors may have an adverse impact on the trading and price of our common stock.

The market price of our common stock is, and is likely to continue to be, highly volatile and subject to wide fluctuations.

The market price of our common stock is highly volatile and could be subject to wide fluctuations in response to a number of factors that are beyond our control, including:

- variations in our quarterly operating results;
- announcements that our revenue or income are below analysts' expectations;
- general economic slowdowns;
- sales of large blocks of our common stock; and
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments.

Our common stock is considered a "penny stock" and is subject to additional sale and trading regulations that may make it more difficult to buy or sell.

Our common stock is considered a "penny stock" and securities broker-dealers participating in sales of our common stock are subject to the "penny stock" regulations set forth in Rules 15g-2 through 15g-9 promulgated under the Exchange Act. Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

We do not intend to pay dividends on our common stock for the foreseeable future.

We have paid no dividends on our common stock to date and we do not anticipate paying any dividends to holders of our common stock in the foreseeable future. While our future dividend policy will be based on the operating results and capital needs of the business, we currently anticipate that we will retain any earnings to finance our future expansion and for the implementation of our business plan. A lack of a dividend can further affect the market value of our common stock, and could significantly affect the value of any investment in the Company.

Our chief executive officer owns the majority of the voting power of our shareholders.

As the holder of our outstanding share of Series B Preferred Stock, our chief executive officer, Niquana Noel has 51% of the voting power of the Company's shareholders. As a result, Ms. Noel has the ability to control all matters submitted to shareholders, and her interests may differ from those of other shareholders.

Additional stock offerings in the future may dilute then-existing shareholders' percentage ownership of the Company.

Given our plans and expectations that we will need additional capital and personnel, we anticipate that will need to issue additional shares of common stock or securities convertible or exercisable for shares of common stock, which may include including convertible notes, preferred stock, stock options or warrants. The issuance of additional securities in the future will dilute the percentage ownership of then-current stockholders.

The rights of the holders of common stock may be impaired by the potential issuance of preferred stock.

Our board of directors has the right, without stockholder approval, to issue preferred stock with voting, dividend, conversion, liquidation or other rights which could adversely affect the voting power and equity interest of the holders of common stock, which could be issued with the right to more than one vote per share, and could be utilized as a method of discouraging, delaying or preventing a change of control. The possible negative impact on takeover attempts could adversely affect the price of our common stock.

Failure to achieve and maintain internal controls in accordance with Sections 302 and 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

Our management has determined that we have not effective disclosure controls and procedures, or internal control over financial reporting as of August 31, 2019. Effective internal controls are necessary for us to produce reliable financial reports and are important in the prevention of financial fraud. If we cannot produce reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and there could be a material adverse effect on our stock price.

Item 1B. Unresolved Staff Comments.

Not required for a smaller reporting company.

Item 2. Properties.

We maintain our principal office at 323 Sunny Isles Boulevard, Suite 700, Sunny Isles Beach, Florida. Our monthly rent is $116 under a lease that terminates in June 2020. We believe that our existing facilities are suitable and adequate to meet our current business requirements.

Item 3. Legal Proceedings.

We are not party to, and our property is not the subject of, any material legal proceedings.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock quoted on the OTCQB under the symbol "BSPK." Any over-the-counter market quotations for our common stock on the OTCQB reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Holders

As of December 4, 2019, there were approximately 365 holders of record of our common stock, which excludes those stockholders holding stock in street name.

Dividend Policy

We have not declared or paid cash dividends on our common stock in the past, and we do not anticipate that we will pay cash dividends our common stock in the foreseeable future.

Repurchases of Equity Securities

None.

Securities authorized for issuance under equity compensation plans

None.

Recent Sales of Equity Securities

None.

Item 6. Selected Financial Data.

Not required for smaller reporting companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion highlights the principal factors that have affected our financial condition and results of operations as well as our liquidity and capital resources for the periods described. This discussion should be read in conjunction with our Financial Statements and the related notes included in Item 8 of this Form 10-K. This discussion contains forward-looking statements. Please see the explanatory note concerning "Forward-Looking Statements" in Part I of this Annual Report on Form 10-K and Item 1A. Risk Factors for a discussion of the uncertainties, risks and assumptions associated with these forward-looking statements. The operating results for the periods presented were not significantly affected by inflation.

Overview

The Company sells a proprietary line of premium quality, all natural cannabidiol (CBD) products in the form of tinctures and capsules for the nutraceutical and veterinary markets, which it introduced in mid-2018. Produced using pure, all natural, zero-THC phytocannabinoid-rich ("PCR") hemp-derived CBD, our products are marketed as dietary supplements and distributed through our direct-to-consumers ecommerce store, found at www.BespokeExtracts.com. In the future, we also plan to our products through select specialty retailers, pharmacies/dispensaries and care providers.

Results of Operations for the years ended August 31, 2019 and 2018

Sales

Sales during the year ended August 31, 2019 were $62,103 compared to $15,919 for the year ended August 31, 2018. In mid-2018 the Company began selling and shipping its CBD products.

Operating Expenses

Selling, general and administrative expenses for the year ended August 31, 2019 and August 31, 2018 totaled ($3,510,759) and $6,769,723, respectively. Stock based compensation expense for the year ended August 31, 2019 was $(1,403,625) which was due to a decrease in stock price used in the fair value re-measurement of warrants and options and $(2,440,768) which was a result of a reduction in expense from forfeited common shares Stock based compensation which is primarily comprised of the expense for warrants issued to our former Presidents and Chief Executive Officers, was included in selling, general and administrative, and totaled $6,508,991 for the year ended August 31, 2018. Payroll expense amounted to $0 and $24,389 respectively for the year ended August 31, 2019 and 2018, respectively. During the year ended August 31, 2019, our chief executive officer's compensation was recorded as consulting expense. Professional fees amounted to $200,720 and $132,342, respectively for the years ended August 31, 2019 and 2018. The increase in expenses was due to increased legal and professional fees. Consulting expense amounted to $283,150 and $185,523 respectively for the year ended August 31, 2019 and 2018, respectively. The increase was primarily due to branding and marketing and investor relations performed by consultants hired during the year ended August 31, 2019. Amortization expense for the year ended August 31, 2019 and 2018 was $3,345 and $3,346, respectively. Amortization expense is in relation to a URL purchase and the prior year's amortization is the expensing of intellectual property.

Financing Common Share Expense

Pursuant to a securities purchase agreement entered into on June 6, 2018, the Company was obligated to issue additional shares of common stock if the Company sold common stock at a price lower than $0.10 per share (or common stock equivalents with an exercise price less than $0.10 per share) during the six-month period following the closing of the purchase agreement, in which event the Company was required to issue additional shares to the purchaser for no additional consideration, such that the total number of common stock received by the purchaser would be equal to $50,000 divided by the lower financing price. As of August 31, 2019, the Company was obligated to issue 500,000 shares of common stock valued at $76,000, which is included in the common stock payable in the accompanying balance sheet.

Interest Expense

Interest expense on promissory notes for the year ended August 31, 2019 and 2018 was $357,473 and $419,000, respectively. The decrease in interest expense was due to the amortization expense for the warrants and beneficial conversion associated with those notes that had been converted to common stock or fully amortized.

Net Income / (Loss)

For the reasons stated above, our net income for the year ended August 31, 2019 totaled $2,580,761, or $0.04 per share, compared to a net loss for the year ended August 31, 2018 of ($7,609,558), or ($0.21) per share.

LIQUIDITY AND CAPITAL RESOURCES

As of August 31, 2019, we had cash and cash equivalents of $10,343. Net cash used in operating activities for the year ended August 31, 2019 was $492,691. Our current liabilities as of August 31, 2019 totaled $111,056 and consisted of accounts payable and accrued liabilities of $111,006 and a note payable to a related party of $50. As of August 31, 2018, we had cash and cash equivalents of $79,784. Net cash used in operating activities for the year ended August 31, 2018 was $747,688. Our current liabilities as of August 31, 2018 totaled $566,174 consisting of accounts payable and accrued liabilities of $105,424, and convertible note payables-net, unamortized discounts of $460,700. The decrease in current liabilities was due to the conversion of convertible note payables and accrued interest into common stock.

During the year ended August 31, 2019, the Company raised $421,250 from the sale of common stock compared to $460,300 for the year ended August 31, 2018. During the year ended August 31, 2018, the Company received a total of $220,000, net of original issue discounts from a related party of convertible loans as compared to none during the comparable year ended 2019.

The accompanying financial statements have been prepared assuming a continuation of the Company as a going concern. The Company had negative cash flows from operations for the year ended August 31, 2019 and had a working capital deficit at August 31, 2019. This raises substantial doubt about our ability to continue as a going concern.

We have not generated positive cash flows from operating activities. Our primary source of capital has been from the sale of equity securities. Our primary use of capital has been for professional fees and general and administrative costs. We have no committed sources of capital and will need to raise additional capital to continue and expand our operations. Additional capital may not be available on terms acceptable to us, or at all.

OFF-BALANCE SHEET ARRANGEMENTS

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical accounting policies and estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reported periods. The more critical accounting estimates include estimates related to revenue recognition and accounts receivable allowances. We also have other key accounting policies, which involve the use of estimates, judgments and assumptions that are significant to understanding our results, which are described in Note 1 to our financial statements appearing elsewhere in this report.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk.

Not required for a smaller reporting company.

Item 8. Financial Statements and Supplementary Data.

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders' of:
Bespoke Extracts, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Bespoke Extracts, Inc. (the "Company") as of August 31, 2019, the related statements of operations, changes in stockholders' deficit and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2019, and the results of its operations and its cash flows for the year ended August 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, The Company has negative cash flows from operations, a working capital deficit and an accumulated deficit for the year ended and as of August 31, 2019. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our 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 controls 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 financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ Liggett & Webb, P.A.

LIGGETT & WEBB, P.A.
Certified Public Accountants

We have served as the Company's auditor since 2019.

Boynton Beach, Florida
December 16, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Bespoke Extracts, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Bespoke Extracts, Inc. (the "Company") as of August 31, 2018, and the related statements of operations, changes in stockholders' deficit, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2018, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

/s/ MaloneBailey, LLP
www.malonebailey.com
We served as the Company's auditor from 2016 through 2018.
Houston, Texas

December 14, 2018

Bespoke Extracts, Inc.
Balance Sheets

		August 31, 2019		August 31, 2018
Assets				
Current assets				
Cash	$	10,343	$	79,784
Accounts receivable		6,452		2,004
Prepaid expense		17,637		30,976
Inventory, net		3,171		61,857
Total current assets		37,603		174,621
Domain names, net of amortization of $8,364 and $5,019		41,821		45,166
Total assets	$	79,424	$	219,787
Liabilities and Stockholders' Deficit				
Current liabilities				
Accounts payable and accrued liabilities	$	111,006	$	105,424
Convertible notes - related parties, net of unamortized discounts $0 and $199,300, respectively		-		460,700
Note payable - related party		50		50
Total current liabilities		111,056		566,174
Non-current liabilities				
Related party convertible note payable, net of unamortized discounts $0 and $98,847, respectively		-		81,153
Total non-current liabilities		-		81,153
Total liabilities		111,056		647,327
Stockholders' Deficit				
Series A Convertible Preferred Stock, $0.001 par value, 50,000,000 authorized shares; no shares issued and outstanding as of August 31, 2019 and August 31, 2018, respectively		-		-
Common stock, $0.001 par value: 800,000,000 authorized; 78,155,093 and 42,902,712 shares issued and outstanding as of August 31, 2019 and August 31, 2018, respectively		78,156		42,903
Additional paid-in capital		13,950,095		16,246,201
Common stock payable		76,000		-
Accumulated deficit		(14,135,883)		(16,716,644)
Total stockholders' deficit		(31,632)		(427,540)
Total liabilities and stockholders' deficit	$	79,424	$	219,787

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

Bespoke Extracts, Inc.
Statements of Operations

		For the year ended August 31, 2019		August 31, 2018
Sales	$	62,103	$	11,944
Sales - related party		-		3,975
Total Sales		62,103		15,919
Cost of products sold		71,413		22,925
Gross Loss		(9,310)		(7,006)
Operating expenses:				
Selling, general and administrative expenses		(3,510,759)		6,769,723
Payroll expense		-		24,389
Professional fees		200,720		132,342
Consulting		283,150		185,523
Promotion		-		68,229
Amortization expense		3,345		3,346
Total operating expenses		(3,023,544)		7,183,552
Income / (Loss) from operations		3,014,234		(7,190,558)
Other expense				
Financing common share expense		(76,000)		-
Interest expense		(357,473)		(419,000)
Total other expense		(433,473)		(419,000)
Income / (Loss) before income tax		2,580,761		(7,609,558)
Provision for income tax		-		-

	2019	2018
Net Income / (Loss)	$ 2,580,761	$ (7,609,558)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic	**60,588,674**	**35,408,438**
Diluted	**60,588,674**	**35,408,438**
NET INCOME / (LOSS) PER COMMON SHARE OUTSTANDING		
Basic	**$ 0.04**	**$ (0.21)**
Diluted	**$ 0.04**	**$ (0.21)**

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

Bespoke Extracts, Inc.
Statements of Changes in Stockholders Deficit
For The Years Ended August 31, 2018 and 2019

	Preferred Shares Outstanding	Preferred Par Amount	Common Shares Outstanding	Common Par Amount	APIC	Common Stock Payable	Accumulated Deficit	Total
Balance August 31, 2017	-	$ -	26,822,712	$ 26,823	$ 8,808,161	$ -	$ (9,107,086)	$ (272,102)
Beneficial conversion on debt	-	-	-	-	123,000	-	-	123,000
Sale of common stock	-	-	4,900,000	4,900	455,400	-	-	460,300
Common stock issued with debt	-	-	1,100,000	1,100	78,349	-	-	79,449
Conversion of debt to common stock	-	-	10,050,000	10,050	70,350	-	-	80,400
Sale of assets to related party	-	-	-	-	180,000	-	-	180,000
Stock based compensation	-	-	30,000	30	6,508,961	-	-	6,508,991
Warrants issued with related party debt	-	-	-	-	21,980	-	-	21,980
Net loss for the year ended August 31, 2018	-	-	-	-	-	-	(7,609,558)	(7,609,558)
Balance August 31, 2018	-	$ -	42,902,712	$ 42,903	$ 16,246,201	$ -	$ (16,716,644)	$ (427,540)

	Preferred Shares Outstanding	Preferred Par Amount	Common Shares Outstanding	Common Par Amount	APIC	Common Stock Payable	Accumulated Deficit	Total
Balance August 31, 2018	-	$ -	42,902,712	$ 42,903	$ 16,246,201	$ -	$ (16,716,644)	$ (427,540)
Sale of common stock	-	-	15,252,381	15,253	405,997	-	-	421,250
Forfeiture of stock issued through warrant exercise, net of cash paid	-	-	(16,000,000)	(16,000)	(2,424,768)	-	-	(2,440,768)
Common stock issued for the exercise of warrants	-	-	20,000,000	20,000	(18,000)	-	-	2,000
Common stock issued for services	-	-	2,000,000	2,000	179,950	-	-	181,950
Option and warrant expense	-	-	-	-	(1,403,625)	-	-	(1,403,625)
Conversion of debt and accrued interest to common stock – related party	-	-	14,000,000	14,000	964,340	-	-	978,340
Financing common share expense	-	-	-	-	-	76,000	-	76,000
Net income for the year ended August 31, 2018	-	-	-	-	-	-	2,580,761	2,580,761
Balance August 31, 2019	-	$ -	78,155,093	$ 78,156	$ 13,950,095	$ 76,000	$ (14,135,883)	$ (31,632)

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

Bespoke Extracts, Inc.
Statements of Cash Flows

	For the year ended August 31, 2019	For the year ended August 31, 2018
Cash flows from operating activities		

Net Income / (Loss)	$ 2,580,761	$ (7,609,558)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Amortization expense	3,345	3,346
Inventory reserve	52,332	-
Amortization of debt discounts	298,147	353,119
Bad debt (recovery) expense	3,304	-
Forfeited unvested employee stock award (net of cash paid of $1,600)	(2,440,768)	-
Stock based compensation	(1,403,625)	6,508,991
Common stock issued for services	181,950	-
Financing common share expense	76,000	-
Changes in operating assets and liabilities		
Accounts receivable	(7,752)	(2,004)
Inventory	6,354	(61,857)
Prepaid expense	13,339	(11,024)
Accounts payable and accrued liabilities	143,922	71,299
Net Cash used in operating activities	(492,691)	(747,688)
Cash flows from investing activities		
Proceeds from sale of assets to related parties	-	90,000
Net cash provided by investing activities	-	90,000
Cash flow from financing activities		
Borrowings on related party convertible debt	-	220,000
Repayment of note payable - related party	-	(30,000)
Proceeds from exercise of warrants for cash	2,000	-
Sale of common stock and warrants	421,250	460,300
Net cash provided by financing activities	423,250	650,300
Net decrease in cash and cash equivalents	(69,441)	(7,388)
Cash and cash equivalents at beginning of year	79,784	87,172
Cash and cash equivalents at end of year	$ 10,343	$ 79,784
Supplemental disclosure of cash flow information		
Cash paid for interest	$ -	$ 11,626
Cash paid for income taxes	$ -	$ -
Noncash investing and financing activities:		
Discount due beneficial conversion feature	$ -	$ 123,000
Stock issued for conversion of debt and accrued interest - related party	$ 978,340	$ 80,000
Stock issued with related party debt	$ -	79,449
Warrants issued with related party debt	$ -	21,980
Related party note and accrued interest exchanged for purchase of assets	$ -	45,000

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

Bespoke Extracts, Inc.

NOTES TO FINANCIAL STATEMENTS
As of August 31, 2019 and 2018

1. NATURE OF OPERATIONS, SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Nature of Business Operations

Bespoke Extracts, Inc. (the "Company") is a Nevada corporation focused on marketing and selling a proprietary line of premium, quality, all natural CBD products in the forms of tinctures, capsules, drops and edibles for the nutraceutical and veterinary markets, which it introduced in mid-2018. Produced using pure, all natural, zero-THC phytocannabinoid-rich ("PCR") hemp-derived isolate, the Company markets its products as dietary supplements through its retail ecommerce store found at www.bespokeextracts.com. In the future, the Company also intends to sell its products through wholesale channels.

Going Concern

The accompanying financial statements have been prepared assuming a continuation of the Company as a going concern. The Company had negative cash flows from operations, a working capital deficit and an accumulated deficit for the year ended and as of August 31, 2019. This raises substantial doubt about our ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. There is no assurance that this series of events will be satisfactorily completed. The accompanying financial statements do not contain any adjustments that may result from the outcome of this uncertainty.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less at the time of purchase. At August 31, 2019 and 2018, the Company did not have any cash equivalents.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, prepaid expenses and other assets, accounts payable, accrued liabilities and notes payable to stockholder approximate their fair values as of August 31, 2019 and 2018, respectively, because of their short-term natures.

Accounts Receivable

Accounts receivable are recorded at fair value on the date revenue is recognized. The Company provides allowances for doubtful accounts for estimated losses resulting from the inability of its customers to repay their obligation. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to repay, additional allowances may be required. The Company provides for potential uncollectible accounts receivable based on specific customer identification and historical collection experience adjusted for existing market conditions. If market conditions decline, actual collection experience may not meet expectations and may result in decreased cash flows and increased bad debt expense.

The policy for determining past due status is based on the contractual payment terms of each customer, which are generally net 30 or net 60 days. Once collection efforts by the Company and its collection agency are exhausted, the determination for charging off uncollectible receivables is made.

Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out basis and net realizable value. Net realizable value is defined as sales price less cost of completion, disposable and transportation and a normal profit margin. As of August 31, 2019 and August 31, 2018, inventory amounted to $3,171 and $61,857, respectively, which consisted of finished goods. During the year ended August 31, 2019 the Company reserved $52,332 for slow moving inventory.

Revenue Recognition

Net revenue is measured based on the amount of consideration that we expect to receive, reduced by discounts and estimates for credits and returns (calculated based upon previous experience and management's evaluation). Outbound shipping charged to customers is recognized at the time the related merchandise revenues are recognized and are included in net revenues. Inbound and outbound shipping and delivery costs are included in cost of revenues. Net revenues exclude sales and other similar taxes collected from customers.

Our products sold through our online and telephonic channels. Revenue is recognized when control of the merchandise is transferred to the customer, which generally occurs upon shipment. Payment is typically due on the date of shipment. The Company offers a 14 day return policy on sales.

The Company accounts for revenue in accordance with Topic 606 which was adopted at the beginning of fiscal year 2018 using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The Company did not recognize any cumulative-effect adjustment to retained earnings upon adoption as the effect was immaterial. The adoption of these standards did not have a material impact on the Company's statements of operations during the year ended August 31, 2018.

Stock Option Plans

Stock options and warrants issued to consultants and other non-employees as compensation for services provided to the Company are accounted for based on the fair value of the services provided or the estimated fair market value of the option or warrant, whichever is more reliably measurable in accordance with, and FASB ASC 718, *Compensation-Stock Compensation,* including related amendments and interpretations. The related expense is recognized over the period the services are provided. Stock option compensation expense has been recognized as a component general and administrative expenses in the accompanying financial statements for the years ended August 31, 2019 and 2018.

Net Income / Loss per Share

Basic income / loss per share amounts are computed based on net income / loss divided by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Outstanding options, warrants and convertible debt were excluded from the calculation of diluted income / loss per share during the years ended August 31, 2019 an August 31, 2018 because their inclusion would have been anti-dilutive. The effect of 3,330,000 warrants and 1,200,000 options is anti-dilutive for the year ended August 31, 2019. The effect of 2,830,000 warrants and 1,200,000 options is anti-dilutive for the year ended August 31, 2018.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard was effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

The adoption of ASU 2016-02 is not expected to have a significant impact on our balance sheet, results of operations or balance sheets as we currently do not have any long term corporate office and equipment leases.

2. ASSET PURCHASE AGREEMENT

On February 21, 2017, the Company purchased all right, title, interest and goodwill in or associated with certain domain names set forth in an asset purchase agreement for a total of $20,185 in cash and 200,000 shares of the Company's common stock valued at $30,000. For the years ended August 31, 2019 and August 31, 2018 amortization expense amounted to $3,345 and $3,346 respectively. The domain names are being amortized over a 15 year period.

3. NOTE PAYABLE – RELATED PARTY

The changes in a note payable to a related party consisted of the following during the years ended August 31, 2019 and August 31, 2018.

		August 31, 2019		August 31, 2018
Notes payable – related party at beginning of period	$	50	$	50
Payments on notes payable – related party		-		-
Borrowings on notes payable – related party		-		-
Note payable – related party at end of period	$	50	$	50

On February 14, 2017, the Company issued to Lyle Hauser, the Company's largest shareholder at the time, a 7% unsecured promissory note in the amount of $30,000 which matured six months from the date of issuance. On May 31, 2018 the Company repaid the promissory note in the amount of $30,000 and accrued interest of $2,811.

On May 17, 2016, the Company issued to The Vantage Group Ltd. ("Vantage"), a significant shareholder at that time, a 7% unsecured promissory note in the amount of $10,000 which had an original maturity of six months from the date of issuance. On August 15, 2016, the Company issued to Vantage a 7% unsecured promissory note in the amount of $16,000 which had an original maturity of six months from the date of issuance. On October 27, 2016, the Company issued the same shareholder a 7% unsecured promissory note in the amount of $10,000 which had an original maturity date of six months from the date of issuance. On November 14, 2016, the Company issued the same shareholder a 7% unsecured promissory note in the amount of $80,000 which had an original maturity date of six months from the date of issuance. On March 31, 2017, the Company issued the same shareholder a 7% unsecured promissory note in the amount of $7,000 which had an original maturity date of six months from the date of issuance.

On April 17, 2017 the preceding notes issued to Vantage were amended to be convertible into common stock and to mature on April 18, 2018. The convertible notes had a fixed conversion price of $0.008. The amendments to the notes created a beneficial conversion feature of $123,000 and amortization of the discount of $123,000 during the year ended August 31, 2018. The Company issued a total of 10,050,000 shares of common stock to convert $80,000 principal and $400 of accrued interest into common stock and the remaining $43,000 was exchanged with an additional $2,000 of accrued interest to purchase assets of the Company.

The changes in notes payable to these related parties consisted of the following during the years ended August 31, 2019 and August 31, 2018.

		August 31, 2019		August 31, 2018
Notes payable – related party at beginning of period	$	-	$	153,000
Payments on notes payable – related party		-		(30,000)
Conversion		-		(80,000)
Exchange for purchase of Company assets		-		(43,000)
Note payables – related party at end of period	$	-	$	-

4. CONVERTIBLE DEBENTURE – RELATED PARTY

On April 11, 2017, the Company issued a $540,000 related party convertible debenture with an original issue discount of $180,000. The note had a 0% interest rate and a term of two years. In connection with the note, the Company issued the lender an aggregate of 2,700,000 shares of common stock and 900,000 warrants. The relative fair value of the stock ($157,509) and warrants ($44,981) aggregating $202,490 was recognized as a discount to the note. Amortization of $184,364 was recognized during the year ended August 31, 2019. The conversion price of the outstanding balance was the lesser of $3.00 or 40% of the volume weighted average price of the prior 30 days at date of conversion; not to be less than $1.00. In connection with the note the lender was entitled to receive the greater of 5% of every dollar raised by the Company through financing or every dollar of revenue generated by the Company through the earlier of the maturity date and repayment of the principal. As of August 31, 2019 and August 31, 2018 the Company has accrued $0 and $34,015, respectively. On April 22, 2019, the Company entered into an exchange agreement with the lender. Pursuant to the exchange agreement, the lender exchanged convertible debentures of the Company, including the convertible debenture in the original principal amounts of $540,000 referred to above and an additional convertible debenture in the original principal amount of $120,000 described below, an aggregate of $93,565 (including $53,790 pursuant to the $540,000 debenture and $39,775 under the $120,000 debenture) of accrued amounts as the lender was entitled to receive under such debentures as the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal, and an aggregate of 1,000,000 warrants to purchase shares of common stock of the Company, for an aggregate of 11,000,000 newly issued shares of common stock of the Company.

		August 31, 2019		August 31, 2018
Related Party Convertible debenture	$	540,000	$	540,000
Unamortized discount		-		(184,364)
Conversion to common stock		(540,000)		-
Related Party Convertible debenture, net of unamortized discount	$	-	$	355,636

On September 18, 2017, the Company issued to a related party, an $180,000 convertible debenture with an original issue discount of $60,000. The note had a 0% interest rate and a term of two years. In connection with the note, the Company issued the lender an aggregate of 900,000 shares of common stock and 300,000 warrants to purchase common stock. The relative fair value of the stock and warrants aggregating $68,499 was recognized as a discount to the note. Amortization of $98,847 was recognized during the year ended August 30, 2019. The conversion price of the outstanding balance was the lesser of $3.00 or 40% of the volume weighted average price of the prior 30 days at date of conversion; not to be less than $1.00. In connection with the debenture the lender was entitled to receive the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of the maturity date or repayment of the principal. As of August 30, 2019 and August 31, 2018 the Company has accrued $0 and $25,000, respectively. On April 22, 2019, the Company entered into an exchange agreement with the lender. Pursuant to the exchange agreement, the lender exchanged the convertible debenture of the Company, in the original principal amount of $180,000, $44,775 of accrued amounts as the lender was entitled to receive under such debenture as the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal and 300,000 warrants to purchase shares of common stock of the Company, for an aggregate of 3,000,000 newly issued shares of common stock of the Company.

		August 31, 2019		August 31, 2018
Related Party Convertible debenture	$	180,000	$	180,000
Unamortized discount		-		(98,847)
Conversion to common stock		(180,000)		-
Related Party Convertible debenture, net of unamortized discount	$	-	$	81,153

On December 13, 2017, the Company issued a $120,000 convertible debenture with an original issue discount of $20,000 to the same lender as the holder of the $540,000 debenture referred to above. The debenture had a 0% interest rate and a term of one year. In connection with the debenture, the Company issued the lender an aggregate of 200,000 shares of common stock and 100,000 warrants to purchase common stock. The relative fair value of the stock and warrants aggregating $32,930 was recognized as a discount to the note. Amortization of $14,936 was recognized during the year ended August 31, 2019. The conversion price of the outstanding balance was the lesser of $3.00 or 40% of the volume weighted average price of the prior 30 days at date of conversion; not to be less than $1.00. In connection with the debenture the lender was entitled to receive the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal. As of August 31, 2019 and August 31, 2018 the Company has accrued $0 and $20,000, respectively. On April 22, 2019, the Company entered into an exchange agreement with the lender. Pursuant to the exchange agreement, the lender exchanged the convertible debentures of the Company, consisting of the convertible debenture in the original principal amounts of $540,000 referred to above and the additional convertible debenture in the original principal amount of $120,000, an aggregate of $93,565 (including $53,790 pursuant to the $540,000 debenture and $39,775 under the $120,000 debenture) of accrued amounts as the lender was entitled to receive under such debentures as the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal, and an aggregate of 1,000,000 warrants to purchase shares of common stock of the Company, for an aggregate of 11,000,000 newly issued shares of common stock of the Company.

	August 31, 2019	August 31, 2018
Related Party Convertible debenture	$ 120,000	$ 120,000
Unamortized discount	-	(14,936)
Conversion to common stock	(120,000)	-
Related Party Convertible debenture, net of unamortized discount	$ -	$ 105,064

5. EQUITY

Common Stock

The Company has authorized capital of 800,000,000 shares of common stock with a par value of $0.001, and 50,000,000 shares of Preferred stock with a par value of $0.001. 1,000 shares of Preferred stock are designated as Series A Convertible Preferred stock.

On June 15, 2018, the Company issued 500,000 shares of common stock pursuant to a stock purchase agreement for cash of $50,000.

On August 29, 2018 the Company issued 30,000 shares of common stock for services valued at $44,400.

On September 18, 2017, the Company issued 900,000 shares of common stock in connection with the issuance of a convertible note with a principal amount of $180,000. The relative fair value of the stock of $51,503 was recognized as a discount to the note that is being amortized to interest expense over the life of the note.

On September 22, 2017, the company issued 900,000 shares of common stock and 300,000 warrants pursuant to a stock purchase agreement for cash of $60,300.

On November 10, 2017, the Company issued an aggregate of 1,400,000 shares of common stock to the holder of a related party convertible promissory note, to convert principal amount of $11,200.

On November 27, 2017, the Company issued an aggregate of 1,450,000 shares of common stock to the holder of a related party convertible promissory note, to convert principal amount of $11,600.

On December 28, 2017, the Company issued an aggregate of 1,550,000 shares of common stock to the holder of a convertible promissory note, dated November 14, 2016 to convert principal amount of $12,400.

On December 13, 2017, the Company issued an aggregate of 200,000 shares of common stock with a relative fair value of $27,946 to the holder of a $120,000 convertible debenture with an original issue discount of $20,000. The debenture has a 0% interest rate and a term of one year.

On March 5, 2018, the Company entered into a securities purchase agreement with an investor which following such investment was a related party. Pursuant to the purchase agreement, upon closing on March 7, 2018, the Company issued and sold to the investor, 3,000,000 shares of common stock for an aggregate purchase price of $300,000. The Company agreed to issue additional shares of common stock to the investor for no additional consideration, in the event that, during the six month period commencing on the closing date, the Company sold common stock at a purchase price lower than $0.10, such that the total number of shares of common stock received by the investor under the purchase agreement (including the additional shares and the initial shares) will be equal to the total purchase price of $300,000 divided by such lower subsequent financing price. In addition, the Company agreed not to pay cash compensation of over $100,000 to any officer or director for a period of 12 months from the closing date.

On March 9, 2018, the Company issued an aggregate of 1,780,000 shares of common stock to the holder of a 7% convertible promissory note, dated November 14, 2016 to convert principal amount of $14,240.

On March 9, 2018, he Company entered into and closed an asset purchase agreement with VMI Acquisitions, LLC ("VMI"), pursuant to which the Company sold to VMI the Company's proprietary Machine-to-Machine communications solution and certain other intellectual property for a purchase price of $180,000. $135,000 of the purchase price was paid by members of VMI in cash and had previously been deposited with the Company. The remaining $45,000 of the purchase price was paid in the form of a reduction in outstanding debt and reimbursements of expenses owed to a member of VMI. Certain members of VMI were noteholders and/or shareholders of the Company. At the time of the sale the intellectual property had a book value of $0. As the parties were considered significant shareholders and related parties, the consideration of $180,000 was recorded as a capital contribution.

On May 15, 2018 the Company issued 500,000 shares of common stock to an investor for a purchase price of $50,000, and on May 29, 2018, the Company issued 1,870,000 shares of common stock upon conversion of a convertible note in the amount of $14,960. The Company agreed to issue additional shares of common stock to the investor for no additional consideration, in the event that, during the six month period commencing on the closing date, the Company sold common stock at a purchase price lower than $0.10, such that the total number of shares of common stock received by the investor under the purchase agreement (including the additional shares and the initial shares) will be equal to the total purchase price of $50,000 divided by such lower subsequent financing price. In addition, the Company agreed not to pay cash compensation over $100,000 to any officer or director for a period of 12 months from the closing date.

On June 11, 2018, the Company issued an aggregate of 2,000,000 shares of common stock to the holder of a convertible promissory note, dated November 14, 2016 to convert principal amount and accrued interest of $16,000.

On October 13, 2018 the Company issued 1,000,000 shares of common stock for a sponsorship donation valued at $120,000.

Effective October 30, 2018, Marc Yahr resigned from all positions with the Company including as President and Chief Executive Officer of the Company, except as a member of the board of directors and on November 25, 2018 Mr. Yahr resigned as a member of the Company's board of directors. On November 6, 2018, 16,000,000 shares of common stock were returned to the Company by Mr. Yahr for which the Company paid $1,600 to Marc Yahr. This forfeiture was in accordance with the terms of Mr. Yahr's employee share based award and the forfeiture resulted in a gain of $2,440,768 (net of the $1,600 cash paid) representing a reversal of the previously recognized expense for the unvested portion of this freighted award.

On October 30, 2018, the Company entered into an employment agreement with Niquana Noel pursuant to which Ms. Noel will serve as the Company's Chief Executive Officer and president for a term of four years, unless earlier terminated pursuant to the terms of the employment agreement. Pursuant to the terms of the employment agreement, Ms. Noel's annual salary is $96,000 and she received a warrant to purchase up to 20,000,000 shares of the Company's common stock at an exercise price of $0.0001 per share. Ms. Noel exercised the warrant for $2,000 and was issued the 20,000,000 shares on October 31, 2018. The shares received upon the exercise of the warrants are subject to forfeiture over a service period of four years.

Pursuant to a securities purchase agreement entered into on June 6, 2018 the Company was obligated to issue additional shares of common stock if the Company sold common stock at a price lower than $0.10 per share (or common stock equivalents with an exercise price less than $0.10 per share) during the six month period following the closing of the purchase agreement, in which event the Company was required to issue additional shares to the purchaser for no additional consideration, such that the total number of common stock received by the purchaser will be equal to $50,000 divided by lower financing price. As of August 31, 2019 the Company was obligated to issue 500,000 shares of common stock valued at $76,000.

On March 20, 2019 the Company issued 500,000 shares of common stock valued at $32,950 ($0.066 per share) pursuant to a consulting agreement. The term of the agreement is one year and the Company agreed to pay the consultant $20,000 per month once it receives proceeds of financing transactions of at least $250,000.

During the year ended August 31, 2019, the Company sold a total of 15,252,381 shares of common stock for proceeds of $421,250.

On April 22, 2019, the Company entered into an exchange agreement with a debenture holder. Pursuant to the exchange agreement, the lender exchanged convertible debentures of the Company, consisting of convertible debentures in the original principal amounts of $540,000 and $120,000, an aggregate of $93,565 (including $53,790 pursuant to the $540,000 debenture and $39,775 under the $120,000 debenture) of accrued amounts as the lender was entitled to receive under such debentures as the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal, and an aggregate of 1,000,000 warrants to purchase shares of common stock of the Company, for an aggregate of 11,000,000 newly issued shares of common stock of the Company.

On April 22, 2019, the Company entered into an exchange agreement with a debenture holder. Pursuant to the exchange agreement, the holder exchanged a convertible debenture of the Company, in the original principal amount of $180,000, $44,775 of accrued amounts as the lender was entitled to receive greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal and 300,000 warrants to purchase shares of common stock of the Company, for an aggregate of 3,000,000 newly issued shares of common stock of the Company.

On May 5, 2019 the Company issued 500,000 shares of common stock valued at $29,000 ($0.058 per share) pursuant to a consulting agreement. The term of the agreement was six months and the Company agreed to pay the consultant $2,500 per month. Effective November 11, 2019, this agreement was terminated and the Company issued an additional 4,500,000 shares of common stock.

Warrants

On September 18, 2017, the Company issued to related party, an $180,000 convertible debenture with an original issue discount of $60,000. The debenture had a 0% interest rate and a term of two years. In connection with the debenture, the Company issued the lender an aggregate of 900,000 shares of common stock and 300,000 warrants to purchase common stock. The relative fair value of the stock and warrants aggregating $68,499 was recognized as a discount to the note. On April 22, 2019, the Company entered into an exchange agreement with the lender. Pursuant to the exchange agreement, the lender exchanged the convertible debenture of the Company, in the original principal amount of $180,000, $44,775 of accrued amounts as the lender was entitled to receive under such debenture as the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal and 300,000 warrants to purchase shares of common stock of the Company, for an aggregate of 3,000,000 newly issued shares of common stock of the Company (see Note 4).

On December 13, 2017, the Company issued 100,000 warrants to a lender. The relative fair value of the warrants of $4,984 was recognized as a discount to the debenture. On April 22, 2019, the Company entered into an exchange agreement with the lender. Pursuant to the exchange agreement, the lender exchanged the convertible debentures of the Company, consisting of the convertible debenture in the original principal amount of $540,000 referred to below and the additional convertible debenture in the original principal amount of $120,000, an aggregate of $93,565 (including $53,790 pursuant to the $540,000 debenture and $39,775 under the $120,000 debenture) of accrued amounts as the lender was entitled to receive under such debentures as the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal, and an aggregate of 1,000,000 warrants to purchase shares of common stock of the Company, for an aggregate of 11,000,000 newly issued shares of common stock of the Company (see Note 4).

On April 11, 2017, the Company issued a $540,000 related party convertible debenture with an original issue discount of $180,000. The note had a 0% interest rate and a term of two years. In connection with the note, the Company issued the lender an aggregate of 2,700,000 shares of common stock and 900,000 warrants. During the year ended August 31, 2019, 900,000 warrants were exchanged for common stock (see Note 4).

On January 22, 2018, the Company entered into a sales representation agreement for a term of six months. Pursuant to the agreement the Company agreed to issue the nonemployee sales representative warrants to purchase 10,000 shares of common stock per month (an aggregate of 60,000 warrants) with an exercise price of $0.50, with a term of three years. The warrants shall be exercisable at any time on or after the six (6) month anniversary of each issuance date, at his election, in whole or in part, by means of a "cashless exercise". The fair value of this award was determined to be $58,816 of which $51,635 was recognized during the year ended August 31, 2018. During the year ended August 31, 2019 the Company recognized a gain of ($30,227) due to a remeasurement of this nonemployee award.

On February 22, 2018, the Company entered into a consulting agreement for a term of one year. Pursuant to the agreement the Company agreed to issue the nonemployee consultant warrants to purchase 10,000 shares of common stock per month (an aggregate of 120,000 warrants) with an exercise price of $0.40, exercisable for cash only for a period of three years commencing six months form the issuance date. The fair value of this award was determined to be $106,663 of which $65,005 was recognized during the year ended August 31, 2018. During the year ended August 31, 2019 the Company recognized a gain of ($55,935) due to a remeasurement of this nonemployee award.

On March 2, 2018, the Company entered into a management agreement with Global Corporate Management, LLC. Pursuant to this agreement, the Company agreed to pay $4,000 and to issue 150,000 common stock purchase warrants with an exercise price of $0.50, exercisable commencing six months after issuance for a period of 5 years. The fair value of this award was determined to be $3,419,925 of which $1,457,561 was recognized during the year ended August 31, 2018. During the year ended August 31, 2019 the Company recognized a gain of ($1,332,332) due to a remeasurement of this nonemployee award. On March 2, 2019 the agreement was terminated.

On March 20, 2018, the Company entered into a 12 month consulting agreement with Patagonia Global Trading, LLC. Upon execution of this agreement and upon the consultant signing their first customer, acceptable by the Company, and for services rendered, the Company will immediately issue 50,000 common stock purchase warrants to purchase common stock at an exercise price of $.30 per share. As of August 31, 2018, Patagonia Global Trading, LLC, had not signed any customers and had not earned any warrants. The Company agreed to pay a total commission rate of 10% of the gross sale amount to be paid in the form of cash and or warrants to purchase shares of common stock of the Company. As of August 31, 2019, the agreement has expired.

On April 16, 2018, the Company entered into a consulting agreement with Dr. David Hellman for marketing and promotion services. The term is 1 year with payment of 50,000 warrants each month to purchase common stock with an exercise price of $0.60. However, if the Consultant generates more than $10,000 in monthly sales, the Warrants will have an exercise price of $.30, and if the Consultant generates more than $20,000 in monthly sales, the Warrants may be exchanged in "cashless exercise". Additionally, the Company shall pay 10% of retail sales and 5% of wholesale sales. On July 11, 2018 the Company terminated the agreement. On August 1, 2018 the Company entered into a new consulting agreement with Dr. Hellman. The term is 1 year with payment of 60,000 warrants each month to purchase common stock with an exercise price of $0.60. The warrants may be exercised on a cashless basis. A total of $256,038 warrant expense in relation to this award was recognized during the year ended August 31, 2018. During the year ended August 31, 2019 the Company recognized a gain of ($217,402) due to a remeasurement of this nonemployee award.

On May 22, 2017, the Company entered into an employment agreement with Marc Yahr to serve as President and Chief Executive Officer of the Company for a term of three years, unless earlier terminated pursuant to the terms of the employment agreement. Pursuant to the terms of the employment agreement, Mr. Yahr received a warrant to purchase up to 20,000,000 shares of the Company's common stock at an exercise price of $0.0001 per share. The warrants were exercised in full on May 31, 2017; however, the 20,000,000 shares of the Company's common stock were not issued to Mr. Yahr until June 10, 2017. The shares received upon the exercise of the warrants were subject to forfeiture over a service period of three years. The fair value of the award was determined to be $10,998,105 which will be recognized as compensation expense over the three year service period. Warrant expense under the award for the year ended August 31, 2018 totaled $3,633,532. Effective October 30, 2018, Marc Yahr resigned from all positions with the Company including as President and Chief Executive Officer of the Company (except as director, which he resigned as on November 25, 2018). Pursuant to the agreement, Mr. Yahr agreed to return 80% of the warrant shares to the Company if he served as CEO of the Company pursuant to the terms and conditions of the employment agreement for a period of more than 12 months but less than 18 months. Therefore, 16,000,000 shares of common stock were forfeited to the Company, and the Company recognized a gain on the forfeited common shares of ($2,440,768) net of $1,600 paid by the Company.

On October 30, 2018, the Company entered into an employment agreement with Niquana Noel pursuant to which Ms. Noel will serve as the Company's Chief Executive Officer and president for a term of four years, unless earlier terminated pursuant to the terms of the employment agreement. Pursuant to the terms of the employment agreement, Ms. Noel's annual salary is $96,000 and she received a warrant to purchase up to 20,000,000 shares of the Company's common stock at an exercise price of $0.0001 per share. Ms. Noel exercised the warrant and was issued the 20,000,000 shares on October 31, 2018. The fair value of this award was determined to be $2,598,138 of which $542,390 was recognized during the year ended August 31, 2019. Unamortized expense at August 31, 2019 is $2,055,748. The shares received upon the exercise of the warrants are subject to forfeiture over a service period of four years. The shares will be required to be returned to the Company as follows and the Company accounts for forfeitures when they occur:

Ms. Noel would have been required to return 80% of the common stock to the Company if she was not serving as Chief Executive Officer of the Company pursuant to the terms and conditions of her employment agreement as of October 30, 2019 (the first anniversary of the employment agreement);

Ms. Noel shall return 60% of the common stock to the Company if she is not serving as the Chief Executive Officer of the Company pursuant to the terms and conditions of the employment agreement as of the second anniversary of the employment agreement (October 30, 2020);

Ms. Noel shall return 40% of the common stock to the Company if she is not serving as Chief Executive Officer of the Company pursuant to the terms and conditions of the employment agreement as of the third anniversary of the employment agreement (October 30, 2021);

Ms. Noel shall return 20% of the common stock to the Company if she is not serving as the Chief Executive Officer of the Company pursuant to the terms and conditions of the employment agreement as of the fourth anniversary of the employment agreement (October 30, 2022);

The following table summarizes the warrant activities during the years ended August 31, 2018 and 2019:

	Number of Warrants	Weighted-Average Price Per Share
Outstanding at August 31, 2017	900,000	$ 1.00
Granted	1,930,000	0.69
Cancelled or expired		-
Exercised	-	-
Outstanding at August 31, 2018	2,830,000	$ 0.79
Granted	21,800,000	0.04
Canceled or expired	(1,300,000)	1.00
Exercised / Exchanged	(20,000,000)	0.00
Outstanding at August 31, 2019	3,330,000	$ 0.56
Exercisable at August 31, 2019	2,550,000	$ 0.52
Intrinsic value at August 31, 2019		$ -

The fair value of the warrants was estimated using the Black-Scholes option pricing model and the following range of assumptions:

	Grant Date and Re-measurement Date
For the year ended August 31, 2019	
Risk-free interest rate at grant date	1.45% - 2.99%
Expected stock price volatility	330% - 788%
Expected dividend payout	-
Expected life in years	2.5 - 6.0 years

	Grant Date and Re-measurement Date
For the year ended August 31, 2018	
Risk-free interest rate at grant date	1.52% -2.70%
Expected stock price volatility	183% - 362%
Expected dividend payout	-
Expected life in years	2.5 - 6.5 years

OPTIONS

On July 26, 2017 the Company granted a nonemployee options to purchase 2,200,000 shares of common stock. The options have a three year term. 1,000,000 options were immediately exercisable on the date of issuance with an exercise price of $0.001 and the remaining 1,200,000 options vest over a period of three years at an exercise price of $1.00. On July 26, 2017, 1,000,000 options were exercised. During the year ended August 31, 2019 the Company recognized a gain of $(310,119) due to the re-measurement of this non employee award. During the year ended August 31, 2018 the Company recognized an expense of $1,000,820.

	Number of Options	Weighted-Average Price Per Share
Outstanding at August 31, 2017	1,200,000	$ 1.00
Granted	-	-
Canceled or expired	-	-
Exercised	-	-
Outstanding at August 31, 2018	1,200,000	$ 1.00
Granted	-	-
Canceled or expired	-	-
Exercised	-	-
Outstanding at August 31, 2019	1,200,000	$ 1.00
Exercisable at August 31, 2019	1,200,000	$ 1.00
Intrinsic value at August 31, 2019		$ -

	Re-measurement Date
For the year ended August 31, 2019	
Risk-free interest rate at grant date	1.50% - 2.78%
Expected stock price volatility	207% - 394%
Expected dividend payout	-
Expected life in years	1.0 - 3.0 years

6. RELATED PARTY TRANSACTIONS

On April 11, 2017, the Company issued a $540,000 related party convertible debenture with an original issue discount of $180,000. On December 13, 2017, the Company issued a $120,000 related party convertible debenture with an original issue discount of $20,000 to the same lender. On April 22, 2019, the Company entered into an exchange agreement with the lender. Pursuant to the exchange agreement, the lender exchanged the convertible debentures of the Company, consisting of the convertible debenture in the original principal amount of $540,000 and the additional convertible debenture in the original principal amount of $120,000, an aggregate of $93,565 (including $53,790 pursuant to the $540,000 debenture and $39,775 under the $120,000 debenture) of accrued amounts as the lender was entitled to receive under such debentures as the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal, and an aggregate of 1,000,000 warrants to purchase shares of common stock of the Company, for an aggregate of 11,000,000 newly issued shares of common stock of the Company (see Note 4).

On August 29, 2017, the Company received $82,750 as a deposit from two persons, including a significant shareholder, toward the purchase price on an agreement that was being negotiated with VMI Acquisitions, LLC for purchase of certain of the Company's assets as well as the payment of $7,500 of expenses on behalf of the Company. $45,000 of this amount was paid in the form of a reduction in outstanding debt and reimbursements of expenses owed to a member of VMI. Certain members of VMI were noteholders and/or shareholders of the Company and related parties. The agreement was completed and closed on March 9, 2018. As the parties were considered significant shareholders the consideration of $180,000 was recorded as a capital contribution. At the time of the sale the intellectual property had a book value of $0.

On September 18, 2017, the Company issued to a related party, an $180,000 convertible debenture with an original issue discount of $60,000. On April 22, 2019, the Company entered into an exchange agreement with the lender. Pursuant to the exchange agreement, the lender exchanged the convertible debenture of the Company, in the original principal amount of $180,000, $44,775 of accrued amounts as the lender was entitled to receive under such debenture as the greater of 5% of every dollar raised through financing or every dollar of revenue generated through the earlier of maturity date and repayment of the principal and 300,000 warrants to purchase shares of common stock of the Company, for an aggregate of 3,000,000 newly issued shares of common stock of the Company (see Note 4).

On August 29, 2017, the Company received $45,000 as a deposit from a significant shareholder toward the purchase price on an agreement that was being negotiated with VMI Acquisitions, LLC for purchase of certain of the Company's assets.

During the year ended August 31, 2018 sales to a customer, who is the spouse of one of the Company's significant shareholders, amounted to $3,975.

7. COMMITMENTS AND CONTINGENCIES

On January 22, 2018, the Company entered into a sales representation agreement to manage and solicit orders in a set territory, the United States, with an initial term of six months. The sales representative shall be compensated 6% of the net sales and three year warrants monthly to purchase 10,000 shares of common stock at an exercise price of $0.50. Warrants may be exercised after six month anniversary of issuance date. As of August 31, 2019 the agreement has expired.

On February 1, 2018 the Company entered into a consulting agreement with Optimal Setup LLC for a term of one year to advise the Company on search engine optimization and digital marketing. Optimal Setup LLC shall receive monthly for services performed $2,500 and 10,000 warrants for common stock exercisable for cash price of $0.40. Warrants may be exercised after six month anniversary date. The warrants were granted on February 22, 2018. As of August 31, 2019, the agreement has expired.

On March 2, 2018 the Company entered into a two year management agreement with Global Corporate Management, LLC ("GCM"). Pursuant to this agreement, the Company agreed to pay $4,000 and to issue 150,000 common stock purchase warrants (exercise price of $0.50, 5 year term, exercisable 6 months after issuance). The Company shall pay to GCM a commission equal to 10% of all sales every month. The commission will be paid only for the sales which have closed and cash has been paid to the Company. As of August 31, 2019 GCM has not earned any commissions. On March 2, 2019, the agreement was terminated.

On March 20, 2018 the Company entered into a consulting agreement with Patagonia Global Trading, LLC. Upon execution of this agreement and upon the consultant signing their first customer, acceptable by the Company, and for services rendered, the Company agreed to issue 50,000 common stock purchase warrants to purchase common stock at an exercise price of $0.30 per share. As of May 31, 2019, Patagonia Global Trading, LLC, had not signed any customers and had not earned any warrants. The Company agreed to pay a total commission rate of 10% of the gross sale amount to be paid in the form of cash or warrants to purchase shares of common stock of the Company at a purchase price of $0.30 per share, exercisable 6 months after issuance. The commission will be paid on net sales from protected accounts and the consultant will be issued warrants on net invoices that are paid in full and money is received. As of August 31, 2019 the agreement has expired.

On April 16, 2018 the Company entered into a consulting agreement with Dr. David Hellman for marketing and promotion services. The term is 1 year with payment of 50,000 warrants to purchase common stock with an exercise price of $0.60. However, if the consultant generates more than $10,000 in monthly sales, the warrants will have an exercise price of $0.30, and if the consultant generates more than $20,000 in monthly sales, the warrants may be exchanged in "cashless exercise". Additionally, the Company agreed to pay to the consultant 10% of retail sales and 5% of wholesale sales. On July 11, 2018 the Company terminated the agreement. On August 1, 2018 the Company entered into a new consulting agreement with Dr. Hellman. The term is 1 year with payment of 60,000 warrants to purchase common stock with an exercise price of $0.60. The warrants may be exercised on a cashless basis. (See note 5).

In May 2018 the Company entered into an agreement with Seidman Food Brokerage Inc., pursuant to which the Company appointed Seidman Food Brokerage, Inc. as its non-exclusive regional sales and marketing representative for the company's product line for 12 months. The broker will be paid a monthly commission equal to the greater of (1) 5% of collected sales for all invoices generated for CBD products available from their product line for human consumption for a particular month or (2) solely with respect to the first six months of the term of the agreement. As of August 31, 2019, Seidman Food Brokerage, Inc. has not earned any commissions and the agreement has expired.

Pursuant to a securities purchase agreement dated March 5, 2018, in the event that, in the six month period commencing on the closing date of such purchase agreement, the Company were to sell common stock at a price lower than $0.10 per share (or common stock equivalents with a conversion or exercise price lower than $0.10 per share (each as adjusted for stock splits, stock dividends, and similar transactions, the "Subsequent Financing Price"), the Company was required to promptly issue additional shares of common stock to the purchaser for no additional consideration, such that the total number of shares of common stock received by the purchaser under the Agreement would be equal to the total purchase price of $300,000 divided by such lower subsequent financing price. As of August 31, 2019, this agreement was no longer effective and no additional amounts due to the holder.

Pursuant to a securities purchase agreement dated March 21, 2018, in the event that, in the six month period commencing on the closing date of such purchase agreement, the Company were to sell common stock at a price lower than $0.10 per share (or common stock equivalents with a conversion or exercise price lower than $0.10 per share (each as adjusted for stock splits, stock dividends, and similar transactions), the Company was required to promptly issue additional shares of common stock to the purchaser for no additional consideration, such that the total number of shares of common stock received by the purchaser under the Agreement would be equal to the total purchase price of $50,000 divided by such lower subsequent financing price. As of August 31, 2019, this agreement was no longer effective and no additional amounts due to the holder.

Pursuant to a securities purchase agreement entered into on June 6, 2018 the Company was obligated to issue additional shares of common stock if the Company sold common stock at a price lower than $0.10 per share (or common stock equivalents with an exercise price less than $0.10 per share) during the six month period following the closing of the purchase agreement, in which event the Company was required to issue additional shares to the purchaser for no additional consideration, such that the total number of common stock received by the purchaser will be equal to $50,000 divided by lower financing price. As of August 31, 2019 the Company was obligated to issue 500,000 shares of common stock valued at $76,000 which is included in the common stock payable in the accompanying balance sheet.

On March 20, 2019 the Company issued 500,000 shares of common stock valued at $32,950 ($0.066 per share) pursuant to a consulting agreement. The term of the agreement was six months and the Company agreed to pay the consultant $20,000 per month once it receives proceeds of financing transactions of at least $250,000.

On May 5, 2019 the Company issued 500,000 shares of common stock valued at $29,000 ($0.058 per share) pursuant to a consulting agreement. The term of the agreement was six months and the Company agreed to pay the consultant $2,500 per month. Effective November 11, 2019, this agreement was terminated and the Company issued an additional 4,500,000 shares of common stock.

On July 19, 2019 the Company entered into a non-binding preliminary term sheet with Cannasaver Corp. ("Cannasaver"). The term sheet contemplates that the Company will acquire Cannasaver for aggregate consideration of $25,000,000, 80% of which will be in the form of common stock of the Company, and the remaining 20% of which will be in cash, it being recognized that the Company will need to raise such funds from investors. The completion of this acquisition will be subject to entering into definitive agreements and the satisfaction of customary closing conditions, and there is no assurance such transaction will be completed. Cannasaver is partially owned by Lyle Hauser, who is a former significant stockholder of the Company and is an adviser to the Company. As of the date of this report the transaction has not been consummated.

8. INCOME TAXES

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (the "TCJA") that significantly reforms the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The TCJA, among other things, contains significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, effective as of January 1, 2018; limitation of the tax deduction for interest expense; limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such tax losses may be carried forward indefinitely); modifying or repealing many business deductions and credits, including reducing the business tax credit for certain clinical testing expenses incurred in the testing of certain drugs for rare diseases or conditions generally referred to as "orphan drugs"; and repeal of the federal Alternative Minimum Tax ("AMT").

The staff of the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118 to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the TCJA. In connection with the initial analysis of the impact of the TCJA, the Company remeasured its deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. The remeasurement of the Company's deferred tax assets and liabilities was offset by a change in the valuation allowance.

FASB ASC 740, *Income Taxes,* requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. After consideration of all the evidence, both positive and negative, management has determined that a full valuation allowance of $842,165 and $597,359 against its net deferred taxes is necessary as of August 31, 2019 and 2018, respectively.

At August 31, 2019 and August 31, 2018, respectively, the Company had approximately $3,156,000 and $2,844,000, respectively, of U.S. net operating loss carryforwards remaining, which expire beginning in 2026 and $655,000 that can be carried forward indefinitely.

As a result of certain ownership changes, the Company may be subject to an annual limitation on the utilization of its U.S. net operating loss carryforwards pursuant to Section 382 of the Internal Revenue Code. A study to determine the effect, if any, of this change, has not been undertaken.

Tax returns for the years ended August 31, 2019, 2018, 2017, 2016, and 2015 are subject to examination by the Internal Revenue Service.

A reconciliation of the Company's income taxes to amounts calculated at the federal statutory rate is as follows for the years ended August 31:

	2019	2018

Federal and state statutory taxes	(25.00)%	(35.00)%
Change in tax rate estimate	-%	14.00%
Permanent differences	20.00%	-
Change in valuation allowance	5.00%	21.00%
	-%	-%

The valuation allowance for deferred tax assets as of August 31, 2019 and 2018 was $842,165 and $597,359 respectively. In assessing the recovery of the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in the periods in which those temporary differences become deductible. Management considers the scheduled reversals of future deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. As a result, management determined it was more likely than not the deferred tax assets would not be realized as of August 31, 2019 and 2018 and recorded a full valuation allowance.

Components of net deferred tax assets, including a valuation allowance, are as follows at August 31:

	2019	2018
Deferred tax assets:		
Inventory impairment	13,264	-
Net operating loss	828,901	597,359
Valuation allowance	(842,165)	(597,359)
Total deferred tax assets	$ -	$ -

A reconciliation of the expected income tax benefit at the U.S. Federal income tax rate to the income tax benefit actually recognized for the years ended August 31, 2019 and 2018 is set forth below:

	2019	2018
Net (loss) / income	654,094	(2,663,345)
Non-deductible expenses and other	(833,419)	1,441,043
Effect due to decrease in tax rates	-	1,359,234
Change in valuation allowance	179,325	(136,932)
Benefit from income taxes	$ -	$ -

As a result of certain ownership changes, the Company may be subject to an annual limitation on the utilization of its U.S. net operating loss carryforwards pursuant to Section 382 of the Internal Revenue Code. A study to determine the effect, if any, of this change, has not been undertaken.

9. MAJOR CUSTOMERS

There are concentrations of credit risk with respect to accounts receivables due to the amounts owed by one customer at August 31, 2019 whose balance represented approximately 28%, of total accounts receivables. During the year ended August 31, 2019 no individual customer amounted to over 10% of total sales. During the year ended August 31, 2018 sales to one customer, who is the spouse of one of the Company's significant shareholders, amounted to 24% of sales. The loss of business from one or a combination of the Company's significant customers, or an unexpected deterioration in their financial condition, could adversely affect the Company's operations.

10. SUBSEQUENT EVENTS

On October 3, 2019, the Company entered into a letter agreement with Niquana Noel, the Company's chief executive officer. Pursuant to the agreement, Ms. Noel exchanged $24,000 in accrued but unpaid compensation owed to her by the Company for one share of newly created Series B Preferred Stock of the Company.

In connection with the letter agreement, on October 3, 2019, the Company filed a Certificate of Designation of Series B Preferred Stock with the Secretary of State of Nevada. Pursuant to the Certificate of Designation, the Company designated one share of its preferred stock as Series B Preferred Stock. The Series B Preferred Stock has a stated value of $24,000 and entitles the holder to 51% of the total voting power of the Company's stockholders. The Company may, in its sole discretion, redeem the Series B Preferred Stock at any time for a redemption price equal to the stated value. The Series B Preferred does not provide the holder with any dividend rights or any liquidation rights, and is not convertible to common stock.

On October 14, 2019, the Company entered into and closed a securities purchase agreement with an accredited investor pursuant to which the Company issued and sold to the investor 20,833,333 shares of common stock for a purchase price of $125,000.

In November 2019, 3,000,000 shares of common stock were returned to the Company for cancellation and the Company paid $27,500 in connection with a settlement agreement.

On November 6, 2019, the Company entered into and closed a securities purchase agreement with an accredited investor, pursuant to which, the Company issued and sold to the investor an original issue discount convertible debenture (which was amended and restated on November 11, 2019) in the principal amount of $200,000, for a purchase price of $100,000. The Company also issued to the investor 4,900,000 shares of common stock. As amended, the debenture matures on August 1, 2020 and is convertible into shares of common stock of the Company at a conversion price of $0.006, provided that, if the Company fails to repay the debenture upon maturity, the conversion price will be reduced to $0.001 (subject to adjustment for stock splits, stock dividends and similar transactions) and the debenture will bear interest at the rate of 9% per year. The debenture may not be converted to common stock to the extent such conversion would result in the holder beneficially owning more than 4.99% of the Company's outstanding common stock. The Company's obligation to repay the debenture upon maturity is secured by a security interest in the Company's URLs pursuant to a security agreement between the Company and the investor.

Effective November 11, 2019, the Company issued 4,500,000 shares of common stock pursuant to a consulting agreement (see Note 5).

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure and Control Procedures

Management of the Company conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") pursuant to Rule 13a-15 under the as of the end of the period covered by this report. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's (the "SEC") rules and forms and that such information is accumulated and communicated to management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on this evaluation, management concluded that the design and operation of our disclosure controls and procedures are not effective due to the following material weaknesses:

- Our chief executive officer also functions as our chief financial officer. As a result, our officers may not be able to identify errors and irregularities in the financial statements and reports.

- We were unable to maintain full segregation of duties within our financial operations due to our reliance on limited personnel in the finance function. While this control deficiency did not result in any audit adjustments to our financial statements, it could have resulted in a material misstatement that might have been prevented or detected by a segregation of duties.

- Documentation of all proper accounting procedures is not yet complete.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes of accounting principles generally accepted in the United States.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of August 31, 2019 based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013).

A material weakness is defined within the Public Company Accounting Oversight Board's Auditing Standard No. 5 as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In conducting her evaluation, our officer noted the following material weaknesses in our internal controls over financial reporting:

- While certain accounting procedures have been adopted, compliance with such procedures has been inconsistent.

- The board of directors has not established an Audit Committee. Accordingly, the entire board, rather than an independent body, has reviewed our financial statements.

- Segregation procedures could be improved by strengthening cross approval of various functions, including cash disbursements and internal audit procedures where appropriate.

As a result of these deficiencies in our internal controls, our officer concluded that our internal control over financial reporting was not effective.

To the extent reasonably possible given our limited resources, we intend to take measures to cure the aforementioned weaknesses, including, but not limited to, increasing the capacity of our qualified financial personnel to ensure that accounting policies and procedures are consistent across the organization and that we have adequate control over financial statement disclosures.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. The Company's internal control over financial reporting was not subject to attestation by the Company's independent registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(t) and 15d-15(f) under the Exchange Act, during the fourth quarter of the fiscal year ended August 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance.

Niquana Noel serves as our chief executive officer, president, chief financial officer, and sole director.

Ms. Noel, 38, has served as the Company's president, chief executive officer and chief financial officer since October 30, 2018, and as our director since November

25, 2018. Ms. Noel also previously served as operations manager at the Company. Ms. Noel is a proven entrepreneurial executive with expertise in operations, finance and accounting, SEC reporting and compliance, staffing, marketing and corporate governance. Ms. Noel has spent nearly two decades working with privately-held and publicly-traded micro and small cap companies. Since 2008, Ms. Noel has been a key member of the leadership team at Hash Labs Inc. (formerly MedeFile International, Inc.), and has served as its chief operating officer since May 2018 and as a director of Hash Labs Inc. since August 2013. Ms. Noel served as chief executive officer and president of Hash Labs Inc. from January 2014 to May 2018. Prior to serving in that capacity, Ms. Noel served as operations manager of Hash Labs Inc. from 2008. Early in Ms. Noel's career while working for a serial entrepreneur, she was charged with overseeing daily business operations for interests ranging from the ownership and operation of cemeteries in Maryland, Virginia and Florida; to the ownership and operation of exotic, high performance auto dealerships and auto accessory businesses in south Florida.

Terms of Office

Our directors are appointed for one year terms in accordance with our charter documents and hold office until the earlier of (i) the next annual meeting of our shareholders, (ii) until they are removed from the board or (iii) until they resign.

Family Relationships

None.

Involvement in Certain Legal Proceedings

During the past ten years, none of our current directors or executive officers has been:

- the subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

- convicted in a criminal proceeding or is subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

- subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or any Federal or State authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;

- found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law.

- the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of (a) any Federal or State securities or commodities law or regulation; (b) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or (c) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

- the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's officers and directors, and certain persons who own more than 10% of a registered class of the Company's equity securities (collectively, "Reporting Persons"), to file reports of ownership and changes in ownership ("Section 16 Reports") with the Securities and Exchange Commission (the "SEC"). Based solely on its review of the copies of such Section 16 Reports received by the Company, all Section 16(a) filing requirements applicable to the Company's Reporting Persons during and with respect to the fiscal year ended August 31, 2019 have been complied with on a timely basis, except that a Form 3 was not filed by McGlothlin Holdings, Ltd.

Board Committees

We have not established any committees of the board of directors due to the small size of the Company and the board. We do not have an audit committee financial expert because we do not have the resources to retain one.

Board Leadership Structure and Role on Risk Oversight

Niquana Noel is presently the only board member.

Our board is primarily responsible for overseeing our risk management processes. The board receives and reviews periodic reports from management, auditors, legal counsel, and others, as considered appropriate regarding the Company's assessment of risks. The board focuses on the most significant risks facing the Company and the Company's general risk management strategy, and also ensures that risks undertaken by the Company are consistent with the board's appetite for risk. While the board oversees the Company's risk management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing the Company and that our board leadership structure supports this approach. Ms. Noel's operational experience qualifies her to serve on our board of directors.

Stockholder Communication with the Board of Directors

Stockholders may send communications to our board of directors by writing to Bespoke Extracts, Inc., 323 Sunny Isles Blvd., Suite 700, Sunny Isles, Florida, 33160, Attention: Corporate Secretary.

Code of Ethics

The Company has adopted a Code of Ethics that applies to the Company's chief executive officer. Any person may obtain a copy of our Code of Ethics, without charge, by mailing a request to the Company at the address appearing on the front page of this Annual Report on Form 10-K or by viewing it on our website found at www.BespokeExtracts.com.

Item 11. Executive Compensation.

Summary Compensation Table

The following table summarizes all compensation to our chief executive officer during the years ended August 31, 2019 and August 31, 2018. No other officer received compensation of more than $100,000 during such periods.

Name and Principal Position (a)	Year (b)	Salary (c)	Bonus (d)	Stock Awards (e)	Option Awards (f)	Non-Equity Incentive Plan Compensation (g)	Nonqualified Deferred Compensation Earnings (h)	All Other Compensation (i)	Total (j)
Marc Yahr	2019		--	--	$ 0(3)	--	--	--	$ 0
Former CEO, President (1)	2018	$ 19,000	--	--	$ 3,633,532(3)		--	--	$ 3,652,532
Niquana Noel	2019	$ 80,000			$ 542,390(3)				$ 622,390
CEO and President (2)	2018		--	--	--	--	--	--	--

(1) Mr. Yahr resigned as president and chief executive officer of the Company on October 30, 2018.

(2) Ms. Noel was appointed as president and chief executive officer of the Company on October 30, 2018.

(3) Represents warrants issued to Marc Yahr under his employment agreement. See Note 5 to the financial statements included in this report. The value attributable to any option awards is computed in accordance with FASB ASC Topic 718. The assumptions made in the valuations of the option awards are included in Note 5 of the notes to the financial statements included in this report.

(4) Represents warrants issued to Niquana Noel under her employment agreement. See Note 5 to the financial statements included in this report. The value attributable to any option awards is computed in accordance with FASB ASC Topic 718. The assumptions made in the valuations of the option awards are included in Note 5 of the notes to the financial statements included in this report.

Employment Agreements

Effective October 30, 2018, the Company entered into an employment agreement with Ms. Noel pursuant to which Ms. Noel will serve as the Company's chief executive officer and president. Ms. Noel will serve as president and chief executive officer of the Company for a term of four years, unless earlier terminated pursuant to the terms of the employment agreement. Pursuant to the terms of the employment agreement, Ms. Noel's salary is $96,000 per year and she received warrants to purchase up to 20,000,000 shares of the Company's common stock at an exercise price of $0.0001 per share. Ms. Noel has exercised the warrants and has been issued the shares. The shares would have been or will be required to be returned to the Company as follows:

- Ms. Noel would have returned 80% of the shares to the Company if she was not serving as chief executive officer of the Company pursuant to her employment agreement as of October 30, 2019 (the first anniversary of the employment agreement);

- Ms. Noel will return 60% of the shares to the Company if she is not serving as chief executive officer of the Company pursuant to her employment agreement as of October 30, 2020 (the second anniversary of the employment agreement);

- Ms. Noel will return 40% of the shares to the Company if she is not serving as chief executive officer of the Company pursuant to her employment agreement as of October 30, 2021 (the third anniversary of the employment agreement); and

- Ms. Noel will return 20% of the shares to the Company if she is not serving as chief executive officer of the Company pursuant to her employment agreement as of October 30, 2022 (the fourth anniversary of the employment agreement).

Outstanding Equity Awards at Fiscal Year-End

None.

Compensation of Directors

No director of the Company received any compensation for serving as director of the Company during the year ended August 31, 2019.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

As of December 4, 2019 we had 105,389,621 shares of common stock issued and outstanding. The following table sets forth information known to us relating to the beneficial ownership of such shares as of such date by:

- each person who is known by us to be the beneficial owner of more than 5% of our outstanding voting stock;

- each director;

- each named executive officer; and

- all named officers and directors as a group.

Unless otherwise indicated, the business address of each person listed is care of Bespoke Extracts, Inc., at 323 Sunny Isles Blvd., Suite 700, Sunny Isles, Florida 33160. The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on that date and all shares of our common stock issuable to that holder upon exercise or conversion of outstanding options, warrants, convertible debt, or convertible preferred stock owned by that person at that date which are exercisable or convertible within 60 days of December 4, 2019. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them.

Name of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
Executive Officers and Directors:		
Niquana Noel (1)	20,000,000	19.0%
Officers and Directors as a group (1 person):	20,000,000	19.0%
5% Holders:		
McGlothlin Holdings, Ltd. (2)	14,562,667	13.8%
Ronald Smith (3)	20,833,333	19.8%

(1) Includes certain shares that are subject to forfeiture under certain conditions. See "Executive Compensation." Ms. Noel also own the Company's 1 outstanding share of Series B Preferred Stock, which entitles her to 51% of the total voting power of the Company's stockholders.
(2) McGlothlin Holdings, Ltd.'s address is PO Box 590, Luling, Texas, 78649, and its control person is Stan McGlothlin.
(3) Mr. Smith's address is 9239 Carpenter Rd., Eden, NY 14057.

Equity Compensation Plan Information.

None.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Certain Relationships and Related Transactions.

On April 11, 2017, the Company issued a $540,000 convertible debenture with an original issue discount of $180,000 issued to McGlothlin Holdings, Ltd. ("McGlothlin"), a greater than 5% stockholder of the Company. The note had a 0% interest rate and a term of two years. In connection with the note, the Company issued the lender an aggregate of 2,700,000 shares and 900,000 warrants. The conversion price of the outstanding balance was the lesser of $3.00 or 40% of the volume weighted average price of the 30 days at date of conversion; not to be less than $1.00. The debenture and warrants were subsequently exchanged for common stock of the Company, as described below.

On August 29, 2017, the Company received $82,750 as a deposit toward the purchase price on an agreement that was being negotiated with VMI Acquisitions, LLC for purchase of certain of the Company's assets as well as the payment of $7,500 of expenses on behalf of the Company. $45,000 of this amount was paid by McGlothlin.

On September 18, 2017, the Company issued a $180,000 convertible debenture with an original issue discount of $60,000 to Alneil Associates, which was then a greater than 5% stockholder. The note had a 0% interest rate and a term of two years. In connection with the note, the Company issued the lender an aggregate of 900,000 shares of common stock and 300,000 warrants to purchase common stock. The debenture and warrants were subsequently exchanged for common stock of the Company, as described below.

On December 13, 2017, the Company issued a $120,000 convertible debenture to McGlothlin with an original issue discount of $20,000. The debenture had a 0% interest rate and a term of one year. The conversion price of the outstanding balance was the lesser of $3.00 or 40% of the volume weighted average price of the 30 days at date of conversion; not to be less than $1.00. In connection with the debenture, the Company issued to McGlothinlin an aggregate of 200,000 shares of common stock and 100,000 warrants to purchase common stock. The debenture and warrants were subsequently exchanged for common stock of the Company, as described below.

During the year ended August 31, 2018, the Company had sales of $3,975 to the spouse of Stan McGlothin, who is the owner of McGlothlin, a greater than 5% stockholder of the Company

On April 22, 2019, the Company entered into an exchange agreement with McGlothlin. Pursuant to the exchange agreement, McGlothlin exchanged convertible debentures of the Company, in the original principal amounts of $540,000 and $120,000, respectively, and 1,000,000 warrants to purchase shares of common stock of the Company, for an aggregate of 11,000,000 newly issued shares of common stock of the Company.

On April 22, 2019, the Company entered into an exchange agreement with Alneik. Pursuant to the exchange agreement, Alneil exchanged a convertible debenture of the Company, in the original principal amount of $180,000, and 300,000 warrants to purchase shares of common stock of the Company, for an aggregate of 3,000,000 newly issued shares of common stock of the Company.

On October 3, 2019, the Company entered into a letter agreement with Niquana Noel, the Company's chief executive officer. Pursuant to the agreement, Ms. Noel exchanged $24,000 in accrued but unpaid compensation owed to her by the Company for one share of newly created Series B Preferred Stock of the Company.

In connection with the letter agreement with Ms. Noel, on October 3, 2019, the Company filed a Certificate of Designation of Series B Preferred Stock with the Secretary of State of Nevada. Pursuant to the Certificate of Designation, the Company designated one share of its preferred stock as Series B Preferred Stock. The Series B Preferred Stock has a stated value of $24,000 and entitles the holder to 51% of the total voting power of the Company's stockholders. The Company may, in its sole discretion, redeem the Series B Preferred Stock at any time for a redemption price equal to the stated value. The Series B Preferred does not provide the holder with any dividend rights or any liquidation rights, and is not convertible to common stock.

Director Independence.

Niquana Noel is our sole director and does not qualify as an independent director under the Nasdaq listing standards.

Item 14. Principal Accounting Fees and Services.

The following table shows the fees that were billed to the Company by its independent auditor for professional services rendered in 2019 and 2018.

Fiscal Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2019 - Liggett & Webb, P.A.	$ 21,000	$ -	$ -	$ -
2019 - MaloneBailey, LLP	$ 18,000	$ -	$ -	$ -
2018- MaloneBailey, LLP	$ 23,500	$ -	$ -	$ -

Audit fees. Audit fees represent fees for professional services performed by MaloneBailey, LLP or Liggett & Webb, P.A., as applicable, for the audit of our annual financial statements and the review of our quarterly financial statements, as well as services that are normally provided in connection with statutory and regulatory filings or engagements.

Audit-related fees. Audit-related fees represent fees for assurance and related services performed that are reasonably related to the performance of the audit or review of our financial statements.

Tax Fees. MaloneBailey, LLP and Liggett & Webb, P.A. did not perform any tax compliance services for us during the years ended August 31, 2019 or 2018.

All other fees. MaloneBailey, LLP and Liggett & Webb, P.A., did not receive any other fees from us for the years ended August 31, 2019 or 2018.

The board of directors serves as the audit committee of the Company. The board of directors on an annual basis reviews audit and non-audit services performed by the independent registered public accounting firm. All audit and non-audit services are pre-approved by the board of directors, which considers, among other things, the possible effect of the performance of such services on the auditors' independence. The board of directors has considered the role of MaloneBailey LLP in providing services to us for the fiscal year ended August 31, 2018 and has concluded that such services are compatible with MaloneBailey LLP's independence as the Company's independent registered public accounting firm. The board of directors has considered the role of Liggett & Webb, P.A. in providing services to us for the fiscal year ended August 31, 2019 and has concluded that such services are compatible with Liggett & Webb, P.A.'s independence as the Company's independent registered public accounting firm.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a)

(1) Our financial statements are listed on page F-1 of this annual report.

(2) Financial statement schedules: None.

(b) Exhibits.

Exhibit No.	Description
3.1	Articles of Incorporation (incorporated by reference to Form 10-SB filed August 10, 2007)
3.2	Articles and Certificates of Merger (incorporated by reference to Form 10-SB filed August 10, 2007)
3.3	Certificate of Amendment to Articles of Incorporation (incorporated by reference to 8-K filed March 19, 2012)
3.4	Certificate of Amendment to Articles of Incorporation (incorporated by reference to 8-K filed March 5, 2014)
3.5	Certificate of Amendment to Articles of Incorporation (incorporated by reference to 8-K filed December 3, 2015)
3.6	Articles of Merger (incorporated by reference to 8-K filed March 10, 2017)
3.7	Certificate of Designation of Series A Preferred Stock (incorporated by reference to 8-K filed June 14, 2012)
3.8	Certificate of Designation of Series B Preferred Stock (incorporated by reference to 8-K filed October 4, 2019)
3.9	Bylaws (incorporated by reference to Form 10-SB filed August 10, 2007)
4.1	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934
10.1	Employment Agreement between the Company and Niquana Noel (incorporated by reference to 8-K filed November 2, 2018) **
14.1	Code of Ethics (incorporated by reference to 10-K filed December 14, 2018)
16.1	Letter from MaloneBailey, LLP (incorporated by reference to 8-K filed June 7, 2019)
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act*
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002***
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Label Linkbase Document*
101.PRE	XBRL Taxonomy Presentation Linkbase Document*

* Filed herewith
** Indicates management contract or compensatory arrangement.
*** Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BESPOKE EXTRACTS, INC.

Dated: December 16, 2019

By: /s/ Niquana Noel
Niquana Noel
Chief Executive Officer and
Chief Financial Officer
(principal executive officer,
principal financial officer and
principal accounting officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Niquana Noel Niquana Noel	Chief Executive Officer, Chief Financial Officer and Director (principal executive, financial and accounting officer)	December 16, 2019

EX-4.1 2 f10k2019ex4-1_bespoke.htm DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

EXHIBIT 4.1

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

Bespoke Extracts, Inc. (the "Company") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, which is the Company's common stock, $0.001 par value per share.

Description of Common Stock

The authorized capital stock of the Company consists of 800,000,000 shares of common stock at a par value of $0.001 per share, and 50,000,000 shares of blank check preferred stock, par value $0.001.

Holders of the Company's common stock are entitled to one vote for each share on all matters submitted to a stockholder vote. Holders of common stock do not have cumulative voting rights. Therefore, subject to the rights of any outstanding preferred stock, holders of a majority of the shares of common stock voting for the election of directors can elect all of the directors. Holders of the Company's common stock representing a majority of the voting power of the Company's capital stock issued, outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of stockholders. A vote by the holders of a majority of the Company's outstanding shares is required to effectuate certain fundamental corporate changes such as liquidation, merger or an amendment to the Company's articles of incorporation. As of the date of the filing of this report, the Company has 1 outstanding share of Series B Preferred Stock, which entitles the holder to 51% of the voting power of the Company's stockholders.

Holders of the Company's common stock are entitled to share in all dividends that the board of directors, in its discretion, declares from legally available funds. In the event of a liquidation, dissolution or winding up, each outstanding share entitles its holder to participate pro rata in all assets that remain after payment of liabilities and after providing for each class of stock, if any, having preference over the common stock. The Company's common stock has no pre-emptive rights, no conversion rights and there are no redemption provisions applicable to the Company's common stock.

EX-31.1 3 f10k2019ex31-1_bespoke.htm CERTIFICATION

EXHIBIT 31.1

**CERTIFICATION OF PRINCIPLE EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Niquana Noel, certify that:

1. I have reviewed this annual report on Form 10-K of Bespoke Extracts, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: December 16, 2019

By: */s/ Niquana Noel*
Niquana Noel
Chief Executive Officer and Chief Financial Officer
(principal executive and financial officer)

EX-32.1 4 f10k2019ex32-1_bespoke.htm CERTIFICATION

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Bespoke Extracts, Inc. (the "Company") on Form 10-K for the fiscal year ended August 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Niquana Noel, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 16, 2019

By: */s/ Niquana Noel*
Niquana Noel
Chief Executive Officer and Chief Financial Officer
(principal executive and financial officer)