
**UNITED STATES
SECURITY AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

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

For the fiscal year ended September 30, 2023

or

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: **333-170315**

GlobeStar Therapeutics Corporation
(Exact name of registrant as specified in its charter)

Wyoming
(State or other jurisdiction of Incorporation or organization)

27-3480481
(I.R.S. Employer Identification Number)

719 Jadwin Avenue, Richland, WA
(Address of principal executive offices)

99352
(Zip code)

Registrant's telephone number, including area code: **206-451-1970**

Securities registered pursuant to Section 12(g) of the Act:

Title of Each Class
Common stock, \$0.001 par value

Name of Each Exchange on which Registered
OTC Markets

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 Section 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 if disclosures of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
(Do not check is smaller reporting company)		Emerging growth company	<input checked="" type="checkbox"/>

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 Exchange 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, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter, March 31, 2023 was \$4,851,851.

There were 1,026,417,320 shares of the Registrant's common stock outstanding as of January 16, 2024.

GLOBESTAR THERAPEUTICS CORPORATION.

TABLE OF CONTENTS

<u>Part I</u>	5
<u>Item 1. Business</u>	5
<u>Item 1A. Risk Factors</u>	6
<u>Item 1B. Unresolved Staff Comments</u>	12
<u>Item 2. Properties</u>	12
<u>Item 3. Legal Proceedings</u>	12
<u>Item 4. Mine Safety Disclosures</u>	12
<u>Part II</u>	12
<u>Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	12
<u>Item 6. Selected Financial Data</u>	15
<u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of operations</u>	16
<u>Item 7A. Quantitative and Qualitative Disclosures About Market Risk</u>	19
<u>Item 8. Financial Statements and Supplementary Data</u>	19
<u>Report of Independent Registered Public Accounting Firm</u>	20
<u>Consolidated Balance Sheets</u>	23
<u>Consolidated Statements of Operations</u>	24
<u>Consolidated Statements of Stockholders' Deficit</u>	25
<u>Consolidated Statements of Cash Flows</u>	26
<u>Notes to the Consolidated Financial Statements</u>	27
<u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	38
<u>Item 9A. Controls and Procedures</u>	38
<u>Item 9B. Other Information</u>	39
<u>Part III</u>	40
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	40
<u>Item 11. Executive Compensation</u>	42
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	43
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u>	43
<u>Item 14. Principal Accounting Fees and Services</u>	44
<u>Part IV</u>	45
<u>Item 15. Exhibits, Financial Statement Schedules</u>	45
<u>Signatures</u>	46

[Table of Contents](#)

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this report contain or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements, identified by words such as “plan”, “anticipate”, “believe”, “estimate”, “should”, “expect” and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous assumptions and other factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to, our ability to secure suitable financing to continue with our existing business or change our business and conclude a merger, acquisition or combination with a business prospect, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, and other factors. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Readers should carefully review this report in its entirety, including but not limited to our financial statements and the notes thereto and the risks described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022. We advise you to carefully review the reports and documents we file from time to time with the Securities and Exchange Commission (the “SEC”), particularly our quarterly reports on Form 10-Q and our current reports on Form 8-K. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

OTHER PERTINENT INFORMATION

When used in this report, the terms, “we,” the “Company,” “GSTC,” “our,” and “us” refers to GlobeStar Therapeutics Corporation., a Wyoming corporation.

- 4 -

[Table of Contents](#)

PART I

ITEM 1. BUSINESS

Overview

GlobeStar Therapeutics Corporation (the “Company”) was incorporated on April 29, 2016. The Company’s year-end is September 30. On October 4, 2019, the Company filed Articles of Continuance with the Secretary of State of Wyoming to continue its business in the state of Wyoming. As part of these Articles of Continuance, effective October 4, 2019, the Company has no limit on the authorized shares of common stock that can be issued. The Company filed its Certificate of Dissolution with the Secretary of State of Nevada on October 21, 2019 because it is no longer a Nevada corporation.

We changed our name to GlobeStar Therapeutics Corporation on April 27, 2021 to better reflect our expanded platform of products that include breakthrough addition of treatment for Multiple Sclerosis and other neurodegenerative diseases.

GlobeStar Therapeutics Corporation, based in Richland Washington, is a clinical stage Pharmaceutical Company introducing a patented formulation of previously approved drugs for the treatment of Multiple Sclerosis. GlobeStar Therapeutics owns the exclusive global license from the inventors, who are based in Italy. GlobeStar Therapeutics is initiating discussions with the FDA on clinical trial design in preparation for FDA submission and approval pathway.

On November 2, 2023, the Company entered into a definitive agreement with Advanced Innovative Partners (“AIP”) for AIP to provide advice to Company and SMI HealthCare LLC (“SMIHC”) on the global design, strategy and execution of clinical trials, regulatory filings, intellectual property rights filings, and manufacturing for Project Amethyst™. Project Amethyst™ is a compound intended to treat neurodegeneration from multiple sclerosis (“MS”). GSTC is the exclusive worldwide licensee for Project Amethyst™, including all patents and patent applications relating thereto.

The Company and AIP agreement has been approved by the parties’ respective boards and is immediately effective. AIP will initially advise the Company and SMIHC on the design and launch of an initial clinical trial in India and the associated regulatory approvals for GSTC’s MS products in North America and Europe. A memorandum of understanding previously had been entered into by the Company and AIP to design and implement clinical trials for Project Amethyst™, subject to the execution of definitive agreement. Pursuant to the parties’ agreement, the Company retains ownership of all intellectual property rights, and final approval of Project Amethyst™, including the right to engage additional advisors and subject matter experts. For its consulting services, AIP will be paid a monthly consulting fee and bonuses, a portion of which will be deferred and will become payable only if the Company secures FDA marketing approval. If AIP introduces the Company or SMIHC to potential customers, or strategic partners, subject to compliance with applicable law, AIP may also become entitled to receive commissions on certain revenues or profits derived from those relationships.

The agreement with AIP builds on the recent agreement of the Company with SMI HealthCare LLC (“SMIHC”) to manage an initial clinical trial, regulatory filings, intellectual property rights filings, manufacturing, sales and distribution in India, Southeast Asia, Africa, and the Middle East. On September 26, 2023, the Company entered into an agreement with SMIHC to manage an initial clinical trial, regulatory filings, intellectual property rights filings, manufacturing, sales and distribution in India, Southeast Asia, Africa, and the Middle East, excluding Israel and Iraq, and for government and private aid organizations, for the Company’s patented Multiple Sclerosis treatment. The agreement with SMIHC was approved by the parties’ respective boards of directors. Implementation of the first phase is subject to the Company arranging financing. The first phase includes formation of the Company and SMIHC subsidiaries in India, the clinical trial, regulatory and intellectual property rights filings in India, identifying manufacturers, and planning for the commercial launch in India and countries in the region that accept Drug Controller General of India (“DCGI”) approvals. Implementation of the second phase is expected to commence approximately nine months later, and is subject to receipt of DCGI marketing approval and the Company arranging financing. The second phase may continue for the duration of patent validity, and consists initially of sales, marketing and distribution in India and thereafter, countries in SMIHC’s territory that will permit sales and distribution based upon DCGI approval. After proof of market in those countries, the intention is to seek regulatory approvals elsewhere in SMIHC’s territory in order to expand the sales and distribution of the Company’s MS products. Pursuant to with SMIHC, the Company will receive a 5% royalty on any sales under the agreement by the company formed in India under this agreement, and 50% of any sublicense revenue from the India company formed under the agreement. The Company will pay the following (i) initial fees of between \$15,000 - \$22,500, and monthly fees of between \$5,000 and \$12,500 per month for Phase A (ii) monthly fees of \$12,500, increase after six months to \$17,500 per month, and to \$25,000 per month after one year. The fee will increase by 5% per year thereafter for Phase B (iii) an initial management fee of \$15,000 upon certain milestones and monthly management fee of \$5,000 per month thereafter.

[Table of Contents](#)

SMIHC is an affiliate of SMI Group LLC, a privately-held Los Angeles-based company. The chairman of SMI Group is a shareholder of the Company and consultant, though he did not advise the Company on this transaction and has waived fees payable to an SMI company for introducing SMIHC to the Company.

Professional Team

We have adopted a Medical Advisory Board and appointed medical doctors and medical professionals that have extensive education and hands on experience with pharmaceutical and nutraceutical solutions for prevention and treatment of disease.

Management's Plan to Attract Capital

In the near term, management will utilize debt or preferred stock financing to complete assembling the professional and management team to commence the process for clinical trials in compliance with FDA protocol. plans to continue to focus on raising the funds necessary to implement the Company's business plan. Management will continue to seek out debt financing to obtain the capital required to meet the Company's financial obligations. There is no assurance, however, that investors will continue to advance capital to the Company or that the new business operations will be profitable. The possibility of failure in obtaining additional funding and the potential inability to achieve profitability raise doubts about the Company's ability to continue as a going concern.

In the midterm, management will enhance its capital position with a public offering of equity securities to finance clinical trials and the necessary actions to obtain approval of worldwide marketing of our MS treatment.

In the long term, marketing the Company's pharmaceutical and nutraceutical products will provide the necessary cash flow to support future growth. However, there can be no assurances that the Company's planned activities will be successful, or that the Company will ultimately attain profitability. The Company's long-term viability depends on its ability to obtain adequate sources of capital to support near term and midterm business operations, and the ability of the Company to achieve adequate profitability and cash flows from operations to support its operations.

Corporate Governance

We have adopted codes and committees for governance of the corporation that include: (i) audit committee charter, (ii) written acknowledgement of code of ethics for directors and senior officers, (iii) compensation committee charter, (iv) confidential information policy, iv) corporate governance guidelines, (vi) executive committee charter, and (vii) nominating committee charter.

ITEM 1A. RISK FACTORS

You should carefully consider the following risk factors discussed below and the matters addressed under "Special Note Regarding Forward-Looking Statements," together with all the other information presented in this prospectus, including our audited financial statements and related notes. The risks described below are the only presently known risks facing us or that may materially adversely affect our business. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business. If any of the following risks develop into actual events, our business, financial condition or results of operations could be materially adversely affected and you may lose all or part of your investment.

We cannot be certain that our potential pharmaceuticals will receive regulatory approval, and without regulatory approval we will not be able to market pharmaceuticals.

Our business currently depends largely on the successful development and commercialization of pharmaceutical products to treat multiple sclerosis. Our ability to generate revenue related to product sales, if ever, will depend on the successful development and regulatory approval of such pharmaceuticals.

We currently have no products approved for sale and we cannot guarantee that we will ever have marketable products. The development of a product candidate and issues relating to its approval and marketing are subject to extensive regulation by the FDA in the United States and regulatory authorities in other countries, with regulations differing from country to country. We are not permitted to market our product candidates in the United States until we receive approval of an NDA from the FDA. We have not submitted any marketing applications for any of our product candidates.

[Table of Contents](#)

NDA's must include extensive preclinical and clinical data and supporting information to establish the product candidate's safety and effectiveness for each desired indication. NDA's must also include significant information regarding the chemistry, manufacturing and controls for the product. Obtaining approval of an NDA is a lengthy, expensive, and uncertain process, and we may not be successful in obtaining approval. The FDA review processes can take years to complete, and approval is never guaranteed. If we submit an NDA to the FDA, the FDA must decide whether to accept or reject the submission for filing. We cannot be certain that any submissions will be accepted for filing and review by the FDA. Regulators in other jurisdictions have their own procedures for approval of product candidates. Even if a product is approved, the FDA may limit the indications for which the product may be marketed, require extensive warnings on the product labeling or require expensive and time-consuming clinical trials or reporting as conditions of approval. Regulatory authorities in countries outside of the United States and Europe also have requirements for approval of drug candidates with which we must comply with prior to marketing in those countries. Obtaining regulatory approval for marketing of a product candidate in one country does not ensure that we will be able to obtain regulatory approval in any other country. In addition, delays in approvals or rejections of marketing applications in the United States, Europe or other countries may be based upon many factors, including regulatory requests for additional analyses, reports, data, preclinical studies and clinical trials, regulatory questions regarding different interpretations of data and results, changes in regulatory policy during the period of product development and the emergence of new information regarding our product candidates or other products. Also, regulatory approval for any of our product candidates may be withdrawn.

If we are unable to obtain approval from the FDA, or other regulatory agencies, for product candidates, or if, subsequent to approval, we are unable to successfully commercialize our other product candidates, we will not be able to generate sufficient revenue to become profitable or to continue our operations, likely resulting in the total loss of principal for our investors.

Any statements in this filing indicating that product candidates has demonstrated preliminary evidence of efficacy are our own and are not based on the FDA's or any other comparable governmental agency's assessment of our product candidates and do not indicate that our product candidates will achieve favorable efficacy results in any stage trials or that the FDA or any comparable agency will ultimately determine that our product candidates are effective for purposes of granting marketing approval.

We face substantial competition, which may result in others developing or commercializing products before or more successfully than we do.

The development and commercialization of our potential drug candidates is highly competitive. We expect that we will face significant competition from other companies that develop and market potential drug candidates.

Many of our existing and potential future competitors have significantly greater financial resources and expertise in research and development, manufacturing, and potential drug candidates than we do.

Product liability lawsuits against us could divert our resources, cause us to incur substantial liabilities and limit marketing of our potential drug candidates.

We face an inherent risk of product liability claims. For example, we may be sued if any product we sell allegedly causes injury or is found to be otherwise unsuitable. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our products. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our products or products that we may develop;
- injury to our reputation and significant negative media attention;
- significant costs to defend resulting litigation;
- substantial monetary awards to users;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize our products and additional products that we may develop.

[Table of Contents](#)**Risks Related to Our Financial Position and Need for Additional Capital*****Implications of Being an Emerging Growth Company***

As a company with less than \$1.0 billion of revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we may remain an emerging growth company for up to five years. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure and other requirements that are applicable to other public companies that are not emerging growth companies. In particular, in this 10-K, we have provided only two years of audited consolidated financial statements and have not included all of the executive compensation related information that would be required if we were not an emerging growth company. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

We have a history of operating losses and expect to continue to realize losses in the near future. Currently our operations are producing inadequate revenue to fund all operating costs, and we rely on investments by third parties to fund our business. Even as our revenue grows, we may not become profitable or be able to sustain profitability.

From inception, we have incurred significant net losses and have not realized adequate revenue to support our operations. We expect to continue to incur net losses and negative cash flow from operations in the near future, and we will continue to experience losses for at least as long as it takes our company to generate revenue from the sale of products. The size of these losses will depend, in large part, on whether we develop products in a profitable manner. To date, we have had only limited operating revenues. There can be no assurance that we will achieve material revenues in the future. Should we achieve a level of revenues that make us profitable, there is no assurance that we can maintain or increase profitability levels in the future.

There is substantial doubt as to whether we will continue operations. If we discontinue operations, you could lose your investment.

The following factors raise substantial doubt regarding the ability of our business to continue as a going concern: (i) the losses we incurred since our inception; (ii) our lack of significant operating revenues since inception through the date of this prospectus; and (iii) our dependence on debt and equity funding to continue in operation. We therefore expect to incur significant losses in the foreseeable future. The financial statements do not include any adjustments that might result from the uncertainty about our ability to continue our business. If we are unable to obtain additional financing from outside sources and eventually produce enough revenues, we may be forced to curtail or cease our operations. If this happens, you could lose all or part of your investment.

Our lack of any profitable operating history makes it difficult for us to evaluate our future business prospects and make decisions based on those estimates of our future performance.

We do not have any substantial operating history, which makes it impossible to evaluate our business on the basis of historical operations. Our business carries both known and unknown risks. As a consequence, our past results may not be indicative of future results. Although this is true for any business, it is particularly true for us because of our lacking any profitable operating history.

Because our auditors have issued a going concern opinion, there is substantial uncertainty that we will be able to continue our operations.

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue to operate over the next 12 months. Our financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event we cannot continue in existence. As such, if we are unable to obtain new financing to execute our business plan we may be required to cease our operations.

Effective March 3, 2021, we changed management by electing James C. Katzaroff President and Chief Executive Officer.

There is no assurance Mr. Katzaroff will be successful in securing FDA clearance and marking the newly acquired license for treatment of Multiple Sclerosis.

[Table of Contents](#)

Our chief executive officer has the ability to significantly influence any matters to be decided by the stockholders, which may prevent or delay a change in control of our company.

James Katzaroff, our CEO, currently owns 1,000,000 shares of series E preferred stock. The owner of the series E preferred stock is entitled to the number of votes equal to double the number of votes of all other stockholders. Therefore, Mr. Katzaroff has voting rights equal to two-thirds of all votes cast at any action of stockholders and can exert decisive influence over the outcome of any corporate matter submitted to our stockholders for approval, including the election of directors, removal of the entire board of directors and any transaction that might cause a change in control, such as a merger or acquisition. Any stockholders in favor of a matter that is opposed by this stockholder cannot overrule the vote of James Katzaroff.

James Katzaroff is one of three directors and CEO. The loss of Mr. Katzaroff could adversely affect our business.

Since Mr. Katzaroff is currently a director and CEO, if he were to die, become disabled, or leave our company, we would be forced to retain an individual to replace him. There is no assurance that we can find a suitable person to replace him if that becomes necessary. We have no “key man” life insurance at this time.

Risks related to our common stock

We lack an established trading market for our common stock, and you may be unable to sell your common stock at attractive prices or at all.

There is currently a limited trading market for our common stock on the OTC Market Group’s QB tier under the symbol “GSTC.” There can be no assurances given that an established public market will be obtained for our common stock or that any public market will last. As a result, we cannot assure you that you will be able to sell your common stock at attractive prices or at all.

The market price for our common stock may be highly volatile.

The market price for our common stock may be highly volatile. A variety of factors may have a significant impact on the market price of our common stock, including:

- the publication of earnings estimates or other research reports and speculation in the press or investment community;
- changes in the industry and competitors;
- our financial condition, results of operations and prospects;
- any future issuances of our common stock, which may include primary offerings for cash, and the grant or exercise of stock options from time to time;
- general market and economic conditions; and
- any outbreak or escalation of hostilities, which could cause a recession or downturn in our economy.

We may be subject to shareholder litigation, thereby diverting our resources that may have a material effect on our profitability and results of operations.

As discussed in the preceding risk factors, the market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may become the target of similar litigation. Securities litigation will result in substantial costs and liabilities and will divert management’s attention and resources.

[Table of Contents](#)

Future sales of common stock by stockholders may have an adverse effect on the then prevailing market price of our common stock.

In the event a public market for our common stock is sustained in the future, sales of our common stock may be made by holders of our public float or by holders of restricted securities in compliance with the provisions of Rule 144 of the Securities Act of 1933. In general, under Rule 144, a non-affiliated person who has satisfied a six-month holding period in a company registered under the Securities Exchange Act of 1934, as amended, may, sell their restricted common stock without volume limitation, so long as the issuer is current with all reports under the Exchange Act in order for there to be adequate common public information. Affiliated persons may also sell their common shares held for at least six months, but affiliated persons will be required to meet certain other requirements, including manner of sale, notice requirements and volume limitations. Non-affiliated persons who hold their common shares for at least one year will be able to sell their common stock without the need for there to be current public information in the hands of the public. Future sales of shares of our public float or by restricted common stock made in compliance with Rule 144 may have an adverse effect on the then prevailing market price, if any, of our common stock.

We do not expect to pay cash dividends in the foreseeable future.

We do not anticipate paying cash dividends on our common stock in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide in our sole discretion not to pay dividends. The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

As a public company, we are subject to complex legal and accounting requirements that will require us to incur significant expenses and will expose us to risk of non-compliance.

As a public company, we are subject to numerous legal and accounting requirements that do not apply to private companies. The cost of compliance with many of these requirements is material, not only in absolute terms but, more importantly, in relation to the overall scope of the operations of a small company. Our relative inexperience with these requirements may increase the cost of compliance and may also increase the risk that we will fail to comply. Failure to comply with these requirements can have numerous adverse consequences including, but not limited to, our inability to file required periodic reports on a timely basis, loss of market confidence and/or governmental or private actions against us. We cannot assure you that we will be able to comply with all of these requirements or that the cost of such compliance will not prove to be a substantial competitive disadvantage vis-à-vis our privately held and larger public competitors.

Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses and pose challenges for our management.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

We will need to raise substantial additional capital in the future to fund our operations and we may be unable to raise such funds when needed and on acceptable terms.

When we elect to raise additional funds or additional funds are required, we may raise such funds from time to time through public or private equity offerings, debt financings, corporate collaboration and licensing arrangements or other financing alternatives. Additional equity or debt financing or corporate collaboration and licensing arrangements may not be available on acceptable terms, if at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we will be prevented from pursuing acquisition, licensing, development and commercialization efforts and our ability to generate revenues and achieve or sustain profitability will be substantially harmed.

[Table of Contents](#)

If we raise additional funds by issuing equity securities, our stockholders will experience dilution. Debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences, which are not favorable to us or our stockholders. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our technologies, future revenue streams or product candidates or to grant licenses on terms that may not be favorable to us. Should the financing we require to sustain our working capital needs be unavailable or prohibitively expensive when we require it, our business, operating results, financial condition and prospects could be materially and adversely affected and we may be unable to continue our operations.

We are subject to penny stock regulations and restrictions, and you may have difficulty selling shares of our common stock.

Our common stock is subject to the provisions of Section 15(g) and Rule 15g-9 of the Securities Exchange Act of 1934 (the “Exchange Act”), commonly referred to as the “penny stock rule.” Section 15(g) sets forth certain requirements for transactions in penny stock, and Rule 15g-9(d) incorporates the definition of “penny stock” that is found in Rule 3a51-1 of the Exchange Act. The SEC generally defines a penny stock to be any equity security that has a market price less than \$5.00 per share, subject to certain exceptions. We are subject to the SEC’s penny stock rules.

Since our common stock is deemed to be penny stock, trading in the shares of our common stock is subject to additional sales practice requirements on broker-dealers who sell penny stock to persons other than established customers and accredited investors. “Accredited investors” are persons with assets in excess of \$1,000,000 (excluding the value of such person’s primary residence) or annual income exceeding \$200,000 or \$300,000 together with their spouse. For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such security and must have the purchaser’s written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt the rules require the delivery, prior to the first transaction of a risk disclosure document, prepared by the SEC, relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information for the penny stocks held in an account and information to the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealer to trade and/or maintain a market in our common stock and may affect the ability of our stockholders to sell their shares of common stock.

There can be no assurance that our shares of common stock will qualify for exemption from the Penny Stock Rule. In any event, even if our common stock was exempt from the Penny Stock Rule, we would remain subject to Section 15(b)(6) of the Exchange Act, which gives the SEC the authority to restrict any person from participating in a distribution of penny stock if the SEC finds that such a restriction would be in the public interest.

Our common stock is subject to price volatility unrelated to our operations.

The market price of our common stock could fluctuate substantially due to a variety of factors, including market perception of our ability to achieve our planned growth, quarterly operating results of other companies in the same industry, trading volume in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting our competitors or ourselves. In addition, the over-the-counter market is subject to extreme price and volume fluctuations in general. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to their operating performance and could have the same effect on our common stock.

Trading in our common stock on the OTC Markets is limited and sporadic making it difficult for our shareholders to sell their shares or liquidate their investments.

Trading in our common stock is currently published on the OTC Markets. The trading price of our common stock has been subject to wide fluctuations. Trading prices of our common stock may fluctuate in response to a number of factors, many of which will be beyond our control. The stock market has generally experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with no current business operation. There can be no assurance that trading prices and price earnings ratios previously experienced by our common stock will be matched or maintained. These broad market and industry factors may adversely affect the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company’s securities, securities class-action litigation has often been instituted. Such litigation, if instituted, could result in substantial costs for us and a diversion of management’s attention and resources.

[Table of Contents](#)

ITEM 1B. UNRESOLVED STAFF COMMENTS

This item is not applicable to emerging growth companies.

ITEM 2. PROPERTIES

We maintain our corporate offices at 719 Jadwin Avenue, Richland, WA. Our telephone number is 206-451-1970.

ITEM 3. LEGAL PROCEEDINGS

We know of no other material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder are an adverse party or has a material interest adverse to us.

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

Market Information

Our common stock trades over the counter and trading is reported by OTC Markets under the QB tier under the symbol "GSTC". The following table sets forth, for the period indicated, the prices of the common stock in the over-the-counter market, as reported and summarized by OTC Markets Group, Inc. These quotations represent inter-dealer quotations, without adjustment for retail markup, markdown, or commission and may not represent actual transactions. There is an absence of an established trading market for the Company's common stock, as the market is limited, sporadic and highly volatile.

Holders

As of the date of this filing, there were 42 holders of record of our common stock.

Dividends

To date, we have not paid dividends on shares of our common stock and we do not expect to declare or pay dividends on shares of our common stock in the foreseeable future. The payment of any dividends will depend upon our future earnings, if any, our financial condition, and other factors deemed relevant by our Board of Directors.

Common Stock

We are authorized to issue an unlimited number of shares common stock, with a par value of \$0.001. The closing price of our common stock on January 16, 2024, as quoted by OTC Markets Group, Inc., was \$0.0014. There were 1,026,417,320 shares of common stock issued and outstanding as of January 16, 2024. All shares of common stock have one vote per share on all matters including election of directors, without provision for cumulative voting. The common stock is not redeemable and has no conversion or preemptive rights. The common stock currently outstanding is validly issued, fully paid and non-assessable. In the event of liquidation of the Company, the holders of common stock will share equally in any balance of the Company's assets available for distribution to them after satisfaction of creditors and preferred shareholders, if any. The holders of the Company's common are entitled to equal dividends and distributions per share with respect to the common stock when, as and if, declared by the Board of Directors from funds legally available.

Our Articles of Incorporation, our Bylaws, and the applicable statutes of the state of Wyoming contain a more complete description of the rights and liabilities of holders of our securities.

During the year ended September 30, 2023, there was no modification of any instruments defining the rights of holders of the Company's common stock and no limitation or qualification of the rights evidenced by the Company's common stock as a result of the issuance of any other class of securities or the modification thereof.

[Table of Contents](#)Non-cumulative voting

Holders of shares of our common stock do not have cumulative voting rights, which means that the holders of more than 50% of the outstanding shares, voting for the election of directors, can elect all of the directors to be elected, if they so choose, and, in that event, the holders of the remaining shares will not be able to elect any of our directors.

Securities Authorized for Issuance under Equity Compensation Plans

The following table shows the number of shares of common stock that could be issued upon exercise of outstanding options and warrants, the weighted average exercise price of the outstanding options and warrants, and the remaining shares available for future issuance as of September 30, 2023.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
Equity compensation plans approved by security holders.	—	—	10,000,000
Equity compensation plans not approved by security holders.	—	—	—
Total	—	—	10,000,000

Preferred Stock

Our authority to issue preferred stock is unlimited shares of \$0.001 par value preferred stock.

Series A Preferred Stock – Our board of directors has designated up to 6,000,000 shares of Series A Preferred Stock. The Series A Preferred Stock has a liquidation value of \$2.00 per share. The initial number issued is 5,000,000 with additional shares to be issued as a dividend not to exceed a total of 6,000,000 shares. The rank of the Series A is prior to all common and preferred shares. In addition, the Series A Preferred Stock retains protective provisions to maintain their seniority with respect to liquidation or dissolution. The Series A Preferred Stock holds no voting rights and earns an 8% per annum dividend, payable in additional shares of Series A Preferred Stock. As part of a legal settlement with David Summers, during the year ended September 30, 2020, 5,800,000 shares of Series A Preferred Stock were returned to the Company and cancelled. At September 30, 2023 and 2022, no shares of the Series A Preferred Stock were issued and outstanding.

Series B Preferred Stock – Our board of directors has designated up to 1,000,000 shares of Series B Preferred Stock. The Series B Preferred Stock has a liquidation value of \$1.00 per share. The holders of the Series B Preferred Stock are entitled to dividends of 8% per year payable quarterly in cash or in shares of common stock at the option of the Company. The holders of the Series B Preferred Stock have no voting rights. The Series B Preferred Stock is redeemable at the option of the Company at a price of \$1.00 per share. At September 30, 2023 and 2022, no shares of Series B Preferred Stock were issued or outstanding.

Series C Preferred Stock – On September 12, 2017, our board of directors designated up to 1,200,000 shares of Series C Preferred Stock with a liquidation value of \$0.50 per share. The holders of the Series C Preferred Stock have no voting rights. The Series C Preferred Stock is convertible at the option of the holder into shares of common stock at a rate of one share of common stock for each share of Series C Preferred Stock. The Series C Preferred Stock is redeemable at the option of the Company at a price of \$0.50 per share. The Series C Preferred Stock has been canceled as of September 30, 2017.

Series D Preferred Stock – On September 21, 2017, our board of directors designated up to 539,988 shares of Series D Preferred Stock with a liquidation value of \$1.00 per share. The holders of the Series D Preferred Stock have no voting rights. The Series D Preferred Stock is convertible at the option of the holder into shares of common stock at a rate of \$0.01 per share of common stock. The Series D Preferred Stock is not redeemable. During the year ended September 30, 2023, the Company converted 509,988 shares of Series D Preferred Stock into 50,998,800 shares of Common Stock. At September 30, 2023 and 2022, 0 and 509,988 shares of the Series D Preferred Stock were issued and outstanding.

[Table of Contents](#)

Series E Preferred Stock – Our board of directors has designated up to 1,000,000 shares of Series E Preferred stock. The Series E Preferred stock has voting rights on the basis of two votes for every outstanding share of common stock meaning that the holders of the Series E Preferred Stock have 2/3 of the voting rights in the Company. At September 30, 2023 and 2022, 1,000,000 shares of the Series E Preferred Stock were issued and outstanding.

Series F Preferred Stock – On September 21, 2017, our board of directors designated up to 501,975 shares of Series F Preferred Stock with a liquidation value of \$1.00 per share. The holders of the Series F Preferred Stock have no voting rights. The Series F Preferred Stock is convertible at the option of the holder into shares of common stock at a rate of \$0.01 per share of common stock. The Series F Preferred Stock is not redeemable. During the year ended September 30, 2019, 60,000 shares of the Series F Preferred Stock were returned for cancellation. At September 30, 2021, 386,975 shares of the Series F Preferred Stock were issued and outstanding. During the year ended September 30, 2022, 257,984 shares of Series F Preferred Stock was converted into 25,798,400 shares of common stock. At September 30, 2022, 128,991 shares of the Series F Preferred Stock were issued and outstanding. At September 30, 2023 and 2022, 128,991 shares of the Series F Preferred Stock were issued and outstanding.

Series G Preferred Stock – On August 11, 2021, our board of directors designated up to 1,000,000 shares of Series G Preferred Stock with a liquidation value of \$1.00 per share. The holders of the Series G Preferred Stock have no voting rights except on matters related specifically to the Series G Preferred Stock. The Series G Preferred Stock carries a dividend of 8% of the stated value per share, which is cumulative and payable upon redemption, liquidation or conversion, and increases to 22% in case of default. The Series G Preferred Stock and accrued dividends are convertible beginning 180 days from issuance at the option of the holder into shares of common stock at a rate of a conversion price of 75% of the average three lowest trading prices during the 15 days prior to conversion. The Company will be required to redeem the Series G Preferred Stock upon the earlier of 15 months from issuance date or upon an event of default as defined in the agreement. The Company sold 93,500 shares for net cash proceeds of \$81,250.

Based on the economic characteristics of the Series G Preferred Stock, the Company determined that the Series G should be accounted for as a liability under ASC 480-10, based on the discounted conversion price providing an effectively fixed monetary amount that the preferred stock is convertible into. The Company recorded a debt discount of \$25,000 for the difference between the cash proceeds and the total amount to be redeemed by the holder of \$106,250. The Company amortized \$2,425 of this discount through September 30, 2021. The dividends on the Series G Preferred Stock are recorded as interest expense and totaled \$1,164 through September 30, 2021.

During the year months ended September 30, 2023, the Company sold an aggregate of 89,100 shares of Series G Preferred Stock for net cash proceeds of \$73,000. The Company recorded a debt discount of \$16,100 for the difference between the cash proceeds and the total amount to be redeemed by the holder of \$89,100. The Company amortized \$28,681 of discount related to Series G Preferred Stock for the year months ended September 30, 2023. The dividends on the Series G Preferred Stock are accrued as interest. The Company recognized \$10,146 of interest on the Series G Preferred Stock and had an accrued interest balance of \$3,556 and \$3,983 as of September 30, 2023 and September 30, 2022, respectively. During the year months ended September 30, 2023, the holder of the Series G converted 227,975 shares of Series G and \$9,119 of dividends into 100,712,968 shares of common stock. The conversions were in accordance with the terms of the agreement and no gain or loss was recognized.

During the year ended September 30, 2022, the Company sold an aggregate of 369,875 shares of Series G Preferred Stock for net cash proceeds of \$310,000. The Company recorded a debt discount of \$59,875 for the difference between the cash proceeds and the total amount to be redeemed by the holder of \$369,875. The Company amortized \$54,664 of discount related to Series G Preferred Stock for the year months ended September 30, 2022. The dividends on the Series G Preferred Stock are accrued as interest. The Company recognized \$15,852 of interest on the Series G Preferred Stock and had an accrued interest balance of \$3,983 and \$1,281 as of September 30, 2022 and September 30, 2021, respectively. During the year ended September 30, 2022, the holder of the Series G converted 324,500 shares of Series G into 109,052,543 shares of common stock, and the Company recognized a loss of \$5,939.

As of September 30, 2023 and September 30, 2022, 0 and 138,875 shares of the Series G Preferred Stock were issued and outstanding, respectively.

[Table of Contents](#)**Recent Sales of Unregistered Securities**

Set forth below is information regarding securities sold by during the quarter ended September 30, 2023 that were not registered under the Securities Act:

Date of Sale	Title of Security	Number Sold	Consideration Received and Description of Underwriting or Other Discounts to Market Price or Convertible Security, Afforded to Purchasers	Exemption from Registration Claimed	If Option, Warrant or Convertible Security, terms of exercise or conversion
July 12, 2023	Common Stock	50,998,800	Conversion of 509,988 Shares of Series D Preferred Stock	Section 3(a)(9) of the Securities Act	—
July 13, 2023	Common Stock	2,105,263	Cash subscription	Section 3(a)(9) of the Securities Act	—
July 19, 2023	Common Stock	1,515,152	Cash subscription	Section 3(a)(9) of the Securities Act	—
August 4, 2023	Common Stock	6,000,000	Cash subscription	Section 3(a)(9) of the Securities Act	—
August 25, 2022	Common Stock	33,333,333	Cash subscription	Section 3(a)(9) of the Securities Act	—
September 30, 2022	Common Stock	6,933,333	Conversion of Series G Preferred Stock	Section 3(a)(9) of the Securities Act	\$0.0018
September 30, 2023	Common Stock	11,555,556	Conversion of Series G Preferred Stock	Section 3(a)(9) of the Securities Act	\$0.0018
September 30, 2023	Common Stock	9,408,750	Conversion of Series G Preferred Stock	Section 3(a)(9) of the Securities Act	\$0.0016
September 30, 2023	Common Stock	2,000,000	Settlement of liabilities	Section 3(a)(9) of the Securities Act	—

ITEM 6. SELECTED FINANCIAL DATA

This item is not applicable to emerging growth companies.

[Table of Contents](#)**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

THIS FILING CONTAINS FORWARD-LOOKING STATEMENTS. THE WORDS "ANTICIPATED," "BELIEVE," "EXPECT," "PLAN," "INTEND," "SEEK," "ESTIMATE," "PROJECT," "WILL," "COULD," "MAY," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INCLUDE, AMONG OTHERS, INFORMATION REGARDING FUTURE OPERATIONS, FUTURE CAPITAL EXPENDITURES, AND FUTURE NET CASH FLOW. SUCH STATEMENTS REFLECT THE COMPANY'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL PERFORMANCE AND INVOLVE RISKS AND UNCERTAINTIES, INCLUDING, WITHOUT LIMITATION, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN FOREIGN, POLITICAL, SOCIAL, AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, THE ABILITY TO ACHIEVE FURTHER MARKET PENETRATION AND ADDITIONAL CUSTOMERS, AND VARIOUS OTHER MATTERS, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES OCCUR, OR SHOULD UNDERLYING ASSUMPTIONS PROVE TO BE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY AND ADVERSELY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, OR OTHERWISE INDICATED. CONSEQUENTLY, ALL OF THE FORWARD-LOOKING STATEMENTS MADE IN THIS FILING ARE QUALIFIED BY THESE CAUTIONARY STATEMENTS AND THERE CAN BE NO ASSURANCE OF THE ACTUAL RESULTS OR DEVELOPMENTS.

The following discussion and analysis of our financial condition and plan of operations should be read in conjunction with our financial statements and related notes appearing elsewhere herein. This discussion and analysis contains forward-looking statements including information about possible or assumed results of our financial conditions, operations, plans, objectives, and performance that involve risk, uncertainties, and assumptions. The actual results may differ materially from those anticipated in such forward-looking statements. For example, when we indicate that we expect to increase our product sales and potentially establish additional license relationships, these are forward-looking statements. The words expect, anticipate, estimate or similar expressions are also used to indicate forward-looking statements.

Plan of Operations

We believe we do not have adequate funds to fully execute our business plan for the next twelve months unless we obtain additional funding. However, should we not raise this capital, we will allocate our funding to first assure that all State, Federal and SEC requirements are met.

On November 2, 2023, the Company entered into a definitive agreement with Advanced Innovative Partners ("AIP") for AIP to provide advice to Company and SMI HealthCare LLC ("SMIHC") on the global design, strategy and execution of clinical trials, regulatory filings, intellectual property rights filings, and manufacturing for Project Amethyst™. Project Amethyst™ is a compound intended to treat neurodegeneration from multiple sclerosis ("MS"). GSTC is the exclusive worldwide licensee for Project Amethyst™, including all patents and patent applications relating thereto.

The Company and AIP agreement has been approved by the parties' respective boards and is immediately effective. AIP will initially advise the Company and SMIHC on the design and launch of an initial clinical trial in India and the associated regulatory approvals for GSTC's MS products in North America and Europe. A memorandum of understanding previously had been entered into by the Company and AIP to design and implement clinical trials for Project Amethyst™, subject to the execution of definitive agreement. Pursuant to the parties' agreement, the Company retains ownership of all intellectual property rights, and final approval of Project Amethyst™, including the right to engage additional advisors and subject matter experts. For its consulting services, AIP will be paid a monthly consulting fee and bonuses, a portion of which will be deferred and will become payable only if the Company secures FDA marketing approval. If AIP introduces the Company or SMIHC to potential customers, or strategic partners, subject to compliance with applicable law, AIP may also become entitled to receive commissions on certain revenues or profits derived from those relationships.

The agreement with AIP builds on the recent agreement of the Company with SMI HealthCare LLC ("SMIHC") to manage an initial clinical trial, regulatory filings, intellectual property rights filings, manufacturing, sales and distribution in India, Southeast Asia, Africa, and the Middle East. On September 26, 2023, the Company entered into an agreement with SMIHC to manage an initial clinical trial, regulatory filings, intellectual property rights filings, manufacturing, sales and distribution in India, Southeast Asia, Africa, and the Middle East, excluding Israel and Iraq, and for government and private aid organizations, for the Company's patented

[Table of Contents](#)

Multiple Sclerosis treatment. The agreement with SMIHC was approved by the parties' respective boards of directors. Implementation of the first phase is subject to the Company arranging financing. The first phase includes formation of the Company and SMIHC subsidiaries in India, the clinical trial, regulatory and intellectual property rights filings in India, identifying manufacturers, and planning for the commercial launch in India and countries in the region that accept Drug Controller General of India ("DCGI") approvals. Implementation of the second phase is expected to commence approximately nine months later, and is subject to receipt of DCGI marketing approval and the Company arranging financing. The second phase may continue for the duration of patent validity, and consists initially of sales, marketing and distribution in India and thereafter, countries in SMIHC's territory that will permit sales and distribution based upon DCGI approval. After proof of market in those countries, the intention is to seek regulatory approvals elsewhere in SMIHC's territory in order to expand the sales and distribution of the Company's MS products. Pursuant to with SMIHC, the Company will receive a 5% royalty on any sales under the agreement by the company formed in India under this agreement, and 50% of any sublicense revenue from the India company formed under the agreement. The Company will pay the following (i) initial fees of between \$15,000 - \$22,500, and monthly fees of between \$5,000 and \$12,500 per month for Phase A (ii) monthly fees of \$12,500, increase after six months to \$17,500 per month, and to \$25,000 per month after one year. The fee will increase by 5% per year thereafter for Phase B (iii) an initial management fee of \$15,000 upon certain milestones and monthly management fee of \$5,000 per month thereafter.

SMIHC is an affiliate of SMI Group LLC, a privately-held Los Angeles-based company. The chairman of SMI Group is a shareholder of the Company and consultant, though he did not advise the Company on this transaction and has waived fees payable to an SMI company for introducing SMIHC to the Company.

Results of OperationsRevenue

For the years ended September 30, 2023 and 2022 the Company had no revenue.

Cost of Goods Sold

We had no cost of goods sold for the years ended September 30, 2023 and 2022.

Sales, General, and Administrative Expenses

We recognized general and administrative expense of \$1,864,370 for the year months ended September 30, 2023 compared to \$1,265,065 for the comparable period of 2022. The increase in general and administrative expense was primarily related to an increase in stock-based compensation associated with common stock issued to a consultant, new option awards to officers in the current period and with expense related to the common stock warrant repricing, partially offset by a decrease in legal fees.

Loss on Settlement of Liabilities

We recognized a gain of \$6,724 and a loss of \$146,460 on the settlement of liabilities during the years ended September 30, 2023 and 2022, respectively. In the current period, the shares related to the settlement of royalty payable balance with 7 to Stand resulted in a loss of \$3,442 and the settlement of accrued compensation with the Company's CEO resulted in a gain of \$10,165. In 2022, the loss was related to shares issued to settle \$15,000 of advances.

Interest Expense

We recognized interest expense of \$91,603 for the year ended September 30, 2023 compared to \$70,346 for the comparable period of 2022. The increase was due primarily to the amortization of the discount on convertible notes payable and Series G Preferred Stock during the current period comparable to period of the prior year.

Net Loss

For the reasons above, our net loss for the year ended September 30, 2023 was \$1,949,249 an increase of \$461,439 or approximately 31% compared to a net loss of \$1,487,810 for the year ended September 30, 2022.

[Table of Contents](#)**Liquidity and Capital Resources**

At September 30, 2023, we had cash of \$0 and a working capital deficit in the amount of \$1,433,861. During the year ended September 30, 2023, we had cash used in operating activities of \$205,760, consisting of our net loss of \$1,949,249, partially offset by non-cash compensation of \$464,878, gain on settlement of liabilities of \$6,724, and amortization of discount on notes payable of \$33,391. We have an accumulated deficit at September 30, 2023 in the amount of \$20,454,025. We generated cash flows from financing activities in the amount of \$72,500 of proceeds from the common stock subscribed, \$55,000 from convertible notes payable, net, \$4,395 from the related party advances and \$73,000 from the sale of common stock, which were offset by the repayment of related party advances of \$5,500.

We had no material commitments for capital expenditures or inventory purchases as of September 30, 2023. However, should we execute our business plan as anticipated, we will incur substantial capital expenditures and require financing in addition to what is required to fund our present operation.

We intend to pursue capital through public or private financing, as well as borrowing and other sources in order to finance our business activities. We cannot guarantee that additional funding will be available on favorable terms, if at all. If adequate funds are not available, then our ability to continue our operations may be significantly hindered.

Additional Financing

Additional financing is required to continue operations. Although actively searching for available capital, the Company does not have any current arrangements for additional outside sources of financing and cannot provide any assurance that such financing will be available.

Off-Balance Sheet Arrangements

We do not have any 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 that is material to investors.

Critical Accounting Policies and Estimates

We prepare our financial statements in conformity with GAAP, which requires management to make certain estimates and assumptions and apply judgments. We base our estimates and judgments on historical experience, current trends, and other factors that management believes to be important at the time the financial statements are prepared; actual results could differ from our estimates and such differences could be material. We have identified below the critical accounting policies, which are assumptions made by management about matters that are highly uncertain and that are of critical importance in the presentation of our financial position, results of operations and cash flows. Due to the need to make estimates about the effect of matters that are inherently uncertain, materially different amounts could be reported under different conditions or using different assumptions. On a regular basis, we review our critical accounting policies and how they are applied in the preparation our financial statements.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Going concern - The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. For the year ended September 30, 2023, the Company had a net loss of \$1,949,249 and generated negative cash flow from operating activities in the amount of \$205,760. In view of these matters, there is substantial doubt regarding the Company's ability to continue as a going concern, which is dependent upon its ability to achieve a level of profitability or to obtain additional capital to finance its operations. The Company intends on financing its future activities and its working capital needs largely from the sale of public equity securities with some additional funding from other traditional financing sources, including term notes until such time that funds provided by operations are sufficient to fund working capital requirements. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

[Table of Contents](#)[New Accounting Pronouncements](#)

For a description of recent accounting standards, including the expected dates of adoption and estimated effects, if any, on our financial statements, see “Note 3: Significant Accounting Policies: Recently Issued Accounting Pronouncements” in Part II, Item 8 of this Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This item is not applicable to smaller reporting companies.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**GlobeStar Therapeutics Corporation****Consolidated Financial Statements****September 30, 2023****Contents**

Report of Independent Registered Public Accounting Firm (PCAOB ID: 5525)	20
Report of Independent Registered Public Accounting Firm (PCAOB ID: 2738)	22
Consolidated Balance Sheets	23
Consolidated Statements of Operations	24
Consolidated Statements of Stockholders’ Deficit	25
Consolidated Statements of Cash Flows	26
Notes to the Consolidated Financial Statements	27

[Table of Contents](#)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Globestar Therapeutics Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Globestar Therapeutics Corp. ("the Company") as of September 30, 2023, and the related consolidated statements of operations, statements of stockholders' deficit, and cash flows for the year ended September 30, 2023, 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 September 30, 2023 and the results of its operations and its cash flows for the year ended September 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has an accumulated deficit, net losses, and a working capital deficit. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

[Table of Contents](#)

Valuation of Stock Options and Warrants – Reference Note 6 to the Financial Statements.

As reflected in the Company's financial statements, the Company utilizes the Black-Scholes option pricing model to determine the issue-date fair value of options and warrants. Auditing management's calculation of the fair value of its equity instruments involves significant judgment and estimate in order to determine the appropriate fair value.

How the Critical Audit Matter Was Addressed in the Audit

Our principal audit procedures to evaluate management's analysis on the valuation and calculations of fair value of equity instruments included, among other things, the following:

- Obtaining and evaluating the underlying issuance and sale agreements and approvals.
- Assessing the relevance and reliability of the inputs utilized in the Company's estimates of fair value by developing independent expectations.



Fruci & Associates, II, PLLC – PCAOB ID #5525
We have served as the Company's auditor since 2023.

Spokane, Washington
January 19, 2024

[Table of Contents](#)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of GlobeStar Therapeutics Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of GlobeStar Therapeutics Corporation (the Company) as of September 30, 2022, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the year ended September 30, 2022, and the related notes (collectively referred to as the financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2022, and the result of its consolidated operations and its cash flows for the year ended September 30, 2022, in conformity with accounting principles generally accepted in the United States of America.

The Company's Ability to Continue as a Going Concern

The accompanying financial states have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company suffered a net loss from operations and has a net capital deficiency, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 3. 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ M&K CPAS, PLLC

We served as the Company's auditor from 2012 to 2023.

The Woodlands, Texas

January 9, 2023

[Table of Contents](#)

GLOBESTAR THERAPEUTICS CORPORATION
CONSOLIDATED BALANCE SHEETS

	September 30, 2023	September 30, 2022
CURRENT ASSETS		
Cash and cash equivalents	\$ —	\$ 6,365
Prepaid expenses	—	3,550
Total current assets	—	9,915
TOTAL ASSETS	\$ —	\$ 9,915
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 328,178	\$ 380,735
Accounts payable to related party	454,665	379,126
Related party advances	6,295	12,400
Advances payable	59,650	59,650
Note payable	300,000	—
Current portion of convertible notes payable	59,710	20,000
Series G Preferred Stock Liability, net of discount of \$0 and \$12,581, respectively	—	126,294
Accrued interest payable	225,363	226,270
Total current liabilities	1,433,861	1,204,475
TOTAL LIABILITIES	1,433,861	1,204,475
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Common stock, \$0.001 par value, unlimited shares authorized; 996,119,530 and 722,326,669 shares issued and outstanding at September 30, 2023 and 2022, respectively	996,119	722,325
Preferred stock; 20,000,000 shares authorized:		
Series A Preferred Stock, \$0.001 par value, 0 and 0 shares issued and outstanding at September 30, 2023 and 2022, respectively	—	—
Series B Preferred Stock, \$0.001 par value, 0 and 0 shares issued and outstanding at September 30, 2023 and 2022, respectively	—	—
Series C Preferred Stock, \$0.001 par value, 0 and 0 shares issued and outstanding at September 30, 2023 and 2022, respectively	—	—
Series D Preferred Stock, \$0.001 par value; 0 and 509,988 shares issued and outstanding at September 30, 2023 and 2022, respectively	—	510
Series E Preferred Stock, \$0.001 par value; 1,000,000 shares issued and outstanding at September 30, 2023 and 2022, respectively	1,000	1,000
Series F Preferred Stock; \$0.001 par value; 128,991 shares issued and outstanding at September 30, 2023 and 2022, respectively	129	129
Additional paid-in capital	18,022,916	16,581,252
Stock payable, consisting of 0 and 1,515,152 shares to be issued at September 30, 2023 and 2022, respectively	—	5,000
Accumulated deficit	(20,454,025)	(18,504,776)
TOTAL STOCKHOLDERS' DEFICIT	(1,433,861)	(1,194,560)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ —	\$ 9,915

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

[Table of Contents](#)

GLOBESTAR THERAPEUTICS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Twelve Months Ended	
	September 30,	
	2022	2022
REVENUE	\$ —	\$ —
Cost of goods sold	<u>—</u>	<u>—</u>
Gross profit (loss)	<u>—</u>	<u>—</u>
OPERATING EXPENSES		
General and administrative expenses	1,864,370	1,265,065
Total operating expenses	<u>1,864,370</u>	<u>1,265,065</u>
LOSS FROM OPERATIONS	(1,864,370)	(1,265,065)
OTHER INCOME (EXPENSE)		
Gain (loss) on settlement of liabilities, related party	6,724	(146,460)
Loss on conversion of preferred stock liability	—	(5,939)
Interest expense	<u>(91,603)</u>	<u>(70,346)</u>
Total other expenses	<u>(84,879)</u>	<u>(222,745)</u>
Net loss	<u>\$ (1,949,249)</u>	<u>\$ (1,487,810)</u>
Net loss per share available to common shareholders	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average shares outstanding - basic and diluted	<u>827,324,789</u>	<u>628,539,782</u>

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

[Table of Contents](#)

GLOBESTAR THERAPEUTICS CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Common stock		Series D Preferred Stock		Series E Preferred Stock		Series F Preferred Stock		Original Additional paid-in capital	Stock Payable	Accumulated Deficit	Total Equity (Deficit)
	Shares	Par	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, September 30, 2021	561,495,726	\$ 561,494	509,988	\$ 510	1,000,000	\$ 1,000	386,975	\$ 387	\$ 15,228,254	\$ 499,500	\$ (17,016,966)	\$ (725,821)
Common stock issued for conversion of convertible note payable and accrued interest	25,798,400	25,798	—	—	—	—	(257,984)	(258)	(25,540)	—	—	—
Common stock subscribed for cash proceeds	—	—	—	—	—	—	—	—	—	5,000	—	5,000
Common stock issued for stock payable	19,980,000	19,980	—	—	—	—	—	—	479,520	(499,500)	—	—
Common stock issued for settlement liability	6,000,000	6,000	—	—	—	—	—	—	155,460	—	—	161,460
Stock-based compensation	—	—	—	—	—	—	—	—	322,266	—	—	322,266
Stock-based compensation, related parties	—	—	—	—	—	—	—	—	186,926	—	—	186,926
Conversion of Series G Preferred Stock to common stock	109,052,543	109,053	—	—	—	—	—	—	234,366	—	—	343,419
Net loss for the year ended September 30, 2022	—	—	—	—	—	—	—	—	—	—	(1,487,810)	(1,487,810)
Balance, September 30, 2022	<u>722,326,669</u>	<u>722,325</u>	<u>509,988</u>	<u>510</u>	<u>1,000,000</u>	<u>1,000</u>	<u>128,991</u>	<u>129</u>	<u>16,581,252</u>	<u>5,000</u>	<u>(18,504,776)</u>	<u>(1,194,560)</u>
Conversion of Series G Preferred Stock to common	100,712,968	100,713	—	—	—	—	—	—	136,380	—	—	237,093
Common stock issued for stock payable	1,515,152	1,515	—	—	—	—	—	—	3,485	(5,000)	—	—
Common stock subscribed for cash proceeds	51,882,319	51,883	—	—	—	—	—	—	25,617	—	—	77,500
Conversion of Series D Preferred Stock to common	50,998,800	50,999	(509,988)	(510)	—	—	—	—	(50,489)	—	—	—
Common stock issued for the conversion of debt	2,000,000	2,000	—	—	—	—	—	—	18,000	—	—	20,000
Common stock issued for settlement of liability, related party	16,683,622	16,684	—	—	—	—	—	—	88,694	—	—	105,378
Stock-based compensation	50,000,000	50,000	—	—	—	—	—	—	414,878	—	—	464,878
Stock-based compensation, related parties	—	—	—	—	—	—	—	—	805,098	—	—	805,098
Net loss for the year ended September 30, 2023	—	—	—	—	—	—	—	—	—	—	(1,949,249)	(1,949,249)
Balance, September 30, 2023	<u>996,119,530</u>	<u>\$ 996,119</u>	<u>—</u>	<u>\$ —</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>128,991</u>	<u>\$ 129</u>	<u>\$ 18,022,916</u>	<u>\$ 5,000</u>	<u>\$ (20,454,025)</u>	<u>\$ (1,433,861)</u>

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

[Table of Contents](#)

GLOBESTAR THERAPEUTICS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Twelve Months Ended September 30,	
	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,949,249)	\$ (1,487,810)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock compensation	464,878	322,266
Stock compensation, related parties	805,098	186,926
Amortization of discount on convertible note payable	33,391	54,664
(Gain) loss on settlement of liabilities, related party	(6,724)	146,460
Loss on conversion of preferred stock liability	—	5,939
Changes in operating assets and liabilities		
Prepaid expenses	3,550	(3,550)
Accounts payable and accrued liabilities	247,444	172,957
Accounts payable and accrued liabilities to related party	187,641	259,471
Accrued interest payable	8,211	15,682
NET CASH USED IN OPERATING ACTIVITIES	(205,760)	(326,995)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from convertible notes payable	55,000	—
Proceeds from sale of share-settled Series G preferred stock	73,000	310,000
Proceeds from related party advances	4,395	28,900
Repayment of related party advances	(5,500)	(16,500)
Proceeds from sale of common stock	72,500	5,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	199,395	327,400
NET INCREASE (DECREASE) IN CASH	(6,365)	405
Cash at beginning of period	6,365	5,960
Cash at end of period	<u>\$ —</u>	<u>\$ 6,365</u>
Cash paid during the period for:		
Interest	<u>\$ —</u>	<u>\$ —</u>
Taxes	<u>\$ —</u>	<u>\$ —</u>
Noncash investing and financing transactions:		
Conversion of Series D preferred stock	<u>\$ 50,999</u>	<u>\$ —</u>
Conversion of Series F preferred stock	<u>\$ —</u>	<u>\$ 25,798</u>
Conversion of Series G preferred stock	<u>\$ 227,975</u>	<u>\$ 324,500</u>
Common stock issued for stock payable	<u>\$ 5,000</u>	<u>\$ 499,500</u>
Common stock issued for settlement of liabilities	<u>\$ —</u>	<u>\$ 15,000</u>
Common stock issued for the conversion of debt	<u>\$ 20,000</u>	<u>\$ —</u>
Note payable issued for settlement of accounts payable	<u>\$ 300,000</u>	<u>\$ —</u>

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

[Table of Contents](#)

GLOBESTAR THERAPEUTICS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 1. General Organization and Business

GlobeStar Therapeutics Corporation (the “Company”) was incorporated on April 29, 2016. The Company’s year-end is September 30. On October 4, 2019, the Company filed Articles of Continuance with the Secretary of State of Wyoming to continue its business in the state of Wyoming. As part of these Articles of Continuance, effective October 4, 2019, the Company has no limit on the authorized shares of common stock that can be issued. The Company filed its Certificate of Dissolution with the Secretary of State of Nevada on October 21, 2019 because it is no longer a Nevada corporation.

The Company is developing an expanded platform of products that include addition of treatment for Multiple Sclerosis and other neurodegenerative diseases. The potential pharmaceutical products related to treatment for multiple sclerosis are licensed to the Company through the worldwide licensing agreement described in Note 8.

Note 2. Summary of Significant Accounting Policies**Basis of Presentation**

The consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries, SomaCeuticals, Inc., First Titan Energy, LLC and First Titan Technical, LLC from the date of their formations or acquisition. Significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company’s balance sheet includes certain financial instruments. The carrying amounts of current assets and current liabilities approximate their fair value because of the relatively short period between the origination of these instruments and their expected realization.

FASB Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures* (ASC 820) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2023. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include accounts payable and accrued expenses.

[Table of Contents](#)

Effective June 1, 2018, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products, licensing agreements and contracts to perform pilot studies by applying the following steps: (1) identifying the contract with a customer; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to each performance obligation in the contract; and (5) recognizing revenue when each performance obligation is satisfied.

Advertising and Marketing Costs

We expense advertising and marketing costs as incurred. Advertising and marketing costs were \$3,900 and \$43,031 for the years ended September 30, 2023 and 2022, respectively.

Research and Development Costs

Research and development costs are expensed as incurred. The Company incurred no research and development costs during the years ended September 30, 2023 and 2022.

Cash and Cash Equivalents

All cash is maintained with a major financial institution in the United States. Deposits with this bank may occasionally exceed the amount of insurance provided on such deposits. For the purpose of the financial statements, cash includes cash in banks. Cash was \$0 and \$6,365 as of September 30, 2023 and 2022, respectively. There were no cash equivalents as of September 30, 2023 and 2022.

Income Taxes

The Company accounts for income taxes under ASC 740 *Income Taxes*. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. No deferred tax assets or liabilities were recognized as of September 30, 2023 and 2022.

Commitments and Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. There are no known commitments or contingencies as of September 30, 2023 or 2022.

Recently Issued Accounting Pronouncements

Accounting standards promulgated by the Financial Accounting Standards Board (the “FASB”) are subject to change. Changes in such standards may have an impact on our future financial statements. The following are a summary of recent accounting developments.

In August 2020, the FASB issued ASU 2020-06, Debt - Debt with Conversion and Other Options (Subtopic 470- 20) and Derivatives and Hedging - Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity (“ASU 2020-06”), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. This ASU (1) simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in ASC 470-20, Debt: Debt with Conversion and Other Options, that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock; (2) revises the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments and embedded features that are both indexed to the issuer’s own stock and classified in stockholders’ equity, by removing certain criteria required for equity classification; and (3) revises the guidance in ASC 260, Earnings Per Share, to require entities to calculate diluted earnings per share (EPS) for convertible instruments by using the if-converted method. In addition, entities must presume share settlement for purposes of calculating diluted EPS when an instrument may be settled in cash or shares. The Company adopted this guidance early on October 1, 2023 with no impact to the consolidated financial statements or results of operations of the Company.

[Table of Contents](#)

There are various other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Note 3. Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. For the year ended September 30, 2023, the Company had a net loss of \$1,949,249. As of September 30, 2023, the Company had a working capital deficit of \$1,433,861 and an accumulated deficit of \$20,454,025. The Company has no revenue. Without additional capital, the Company will not be able to remain in business.

These factors raise a substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern.

Management has plans to address the Company's financial situation as follows:

In the near term, management plans to continue to focus on raising the funds necessary to implement the Company's business plan. Management will continue to seek out debt financing to obtain the capital required to meet the Company's financial obligations. There is no assurance, however, that lenders will advance capital to the Company or that the new business operations will be profitable. The possibility of failure in obtaining additional funding and the potential inability to achieve profitability raise doubts about the Company's ability to continue as a going concern.

In the long term, management believes that the Company's projects and initiatives will be successful and will provide cash flow to the Company, which will be used to finance the Company's future growth. However, there can be no assurances that the Company's planned activities will be successful, or that the Company will ultimately attain profitability. The Company's long-term viability depends on its ability to obtain adequate sources of debt or equity funding to meet current commitments and fund the continuation of its business operations, and the ability of the Company to achieve adequate profitability and cash flows from operations to sustain its operations.

Note 4. Related Party TransactionsFor the year ended September 30, 2023

As of September 30, 2023 and September 30, 2022, the Company owed \$454,665 and \$379,126 to officers of the Company for compensation which are recorded as accounts payable related party. Additionally, during the years ended September 30, 2023 and 2022 the Company received short term, unsecured, non-interest bearing advances from the Company's CEO totaling \$21,200 and \$2,500, respectively. As of September 30, 2023 and 2022, the Company owed \$6,295 and \$12,400 on these related party advances, respectively.

In February 2022, the Company entered into an amended and restatement employment agreement with Jim Katzaroff, the CEO. Mr. Katzaroff is entitled to an annual salary of \$180,000 and a bonus as determined by the Board of Directors. Mr. Katzaroff may elect to receive payment in shares of stock based on the average of the three lowest trading prices for the 15 days prior to election of payment in stock. Further, in the event of a change of control of the Company, Mr. Katzaroff is entitled to a payment equal to 2.99 multiplied by the larger of the total compensation paid to Mr. Katzaroff over the prior 12-month period or the average compensation paid or payable to the Consultant over the prior three years.

The Company awarded Mr. Katzaroff a total of 35,000,000 common stock options with an exercise price of \$0.009 per share, an exercise term of five years. The options vest 50% immediately, and the remainder on monthly basis over two years. Mr. Katzaroff is also entitled to additional options in the event of the Company issuing equity or equity equivalents in the future, with him receiving an amount of options equal to 3% of future options or warrants issued, excluding grants to officers. The exercise price of these additional options will be 110% of the price per equity equivalent. To date, a total of 11,632,356 additional options were issued to Mr. Katzaroff pursuant to the agreement terms. The total fair value of these option grants at issuance was \$53,117. During the years ended September 30, 2023 and 2022, the Company recognized \$108,802 and \$186,926 of stock-based compensation, related to outstanding stock options under this agreement, respectively. At September 30, 2023, the Company had \$42,228 of unrecognized expense related to options.

[Table of Contents](#)

Additionally, Mr. Katzaroff will earn a fee related to any strategic transaction, as defined in the agreement, including but not limited to acquisitions, divestitures, partnerships or joint ventures, of at least 2% for any transactions not introduced by Mr. Katzaroff, or 4% for any introduced by Mr. Katzaroff of up to \$20,000,000, and an additional 0.75% - 3.5% for amounts above that threshold. As of June 30, 2023, no amounts have been earned or paid.

Mr. Katzaroff will also receive an activity fee of 3% of gross revenues related to activities including securing a variety of vendor, sales or advertising relationships, or any new revenue generating activity. If such activity is a cost saving initiative instead of revenue generating, Mr. Katzaroff will receive 10% of the cost savings. As of September 30, 2023, no amounts have been earned or paid.

On April 4, 2023, the Company issued 7,422,535 shares to James Katzaroff to settle \$50,000 of accrued compensation. The Company recognized a loss of \$3,442 on this issuance based on the fair value of the shares issued.

On August 4, 2023, the Company issued 2,000,000 shares to its CFO Robert Chicoski to settle \$12,000 of accrued compensation. The shares had a fair value of \$3,600. No gain was recognized due to the related party nature of the transaction, with the Company recognizing the settlement in additional paid in capital.

On September 26, 2023, the Company entered into an agreement with SMI HealthCare LLC ("SMIHC") to manage an initial clinical trial, regulatory filings, intellectual property rights filings, manufacturing, sales and distribution in India, Southeast Asia, Africa, and the Middle East, excluding Israel and Iraq, and for government and private aid organizations, for the Company's patented Multiple Sclerosis treatment. The agreement with SMIHC was approved by the parties' respective boards of directors. Implementation of the first phase is subject to the Company arranging financing. The first phase includes formation of the Company and SMIHC subsidiaries in India, the clinical trial, regulatory and intellectual property rights filings in India, identifying manufacturers, and planning for the commercial launch in India and countries in the region that accept Drug Controller General of India ("DCGI") approvals. Implementation of the second phase is expected to commence approximately nine months later, and is subject to receipt of DCGI marketing approval and the Company arranging financing. The second phase may continue for the duration of patent validity, and consists initially of sales, marketing and distribution in India and thereafter, countries in SMIHC's territory that will permit sales and distribution based upon DCGI approval. After proof of market in those countries, the intention is to seek regulatory approvals elsewhere in SMIHC's territory in order to expand the sales and distribution of the Company's MS products. Pursuant to with SMIHC, the Company will receive a 5% royalty on any sales under the agreement by the company formed in India under this agreement, and 50% of any sublicense revenue from the India company formed under the agreement. The Company will pay the following (i) initial fees of between \$15,000 - \$22,500, and monthly fees of between \$5,000 and \$12,500 per month for Phase A (ii) monthly fees of \$12,500, increase after six months to \$17,500 per month, and to \$25,000 per month after one year. The fee will increase by 5% per year thereafter for Phase B (iii) an initial management fee of \$15,000 upon certain milestones and monthly management fee of \$5,000 per month thereafter.

SMIHC is an affiliate of SMI Group LLC, a privately-held Los Angeles-based company. Kevin Spivak, a shareholder of the Company and consultant is the chairman of SMI Group though he did not advise the Company on this transaction and has waived fees payable to an SMI company for introducing SMIHC to the Company.

On September 19, 2023, the Company entered into a supplement to employment agreement with Jim Katzaroff, the CEO. For Mr. Katzaroff's contribution to the SMIHC transaction, he will be paid the following (i) during the term of the agreement with SMIHC, a fee of 3% of any SMIHC generated revenue and (ii) not less than ¼ of the participation in Pro Forma Profits Before Tax to be payable to the Company at its senior executive pursuant to the SMIHC translation. Additionally, for Mr. Katzaroff's contribution to the AIP transaction, he will be paid the following (i) if the Company invests in AIP, or merges with AIP, Mr. Katzaroff will receive a fee ranging from 1.5% - 4% during on the aggregate consideration of the AIP transaction and (ii) if AIP generated any revenue for the Company by reason of introductions, sales agency, distribution or other similar activities, he will receive a 3% fee for the term of the AIP transaction.

[Table of Contents](#)

Note 5. Convertible Notes Payable and Advances

Convertible notes payable consisted of the following at September 30, 2023 and 2022:

	September 30, 2023	September 30, 2022
Convertible note dated April 13, 2017 in the original principal amount of \$20,000, no stated maturity date, bearing interest at 3% per year, convertible into common stock at a rate of \$0.01 per share.	\$ —	\$ 20,000
Convertible note dated May 10, 2023 in the original principal amount of \$21,300 maturing May 10, 2024, bearing interest at 12%, convertible beginning six months from issuance into common stock at a rate of 61% of the lowest trading price during the 20 days prior to conversion.	21,300	—
Convertible note dated July 3, 2023 in the original principal amount of \$47,250 maturing April 15, 2024, bearing interest at 12%, convertible beginning six months from issuance into common stock at a rate of 61% of the lowest trading price during the 20 days prior to conversion.	47,250	—
Total convertible notes payable	68,550	20,000
Unamortized discount	(8,840)	—
Total current convertible notes payable, net of discount	\$ 59,710	\$ 20,000

All principal along with accrued interest is payable on the maturity date. The notes are convertible into common stock at the option of the holder. The holder of the notes cannot convert the notes into shares of common stock if that conversion would result in the holder owning more than 4.9% of the outstanding stock of the Company.

On May 10, 2023, the Company entered into a Securities Purchase Agreement (the “May 2023 Securities Purchase Agreement”) with 1800 Diagonal Lending LLC (“1800 Diagonal”). Pursuant to the terms of the May 2023 Securities Purchase Agreement, the Company issued a convertible promissory note (the “May 2023 Note”) to 1800 Diagonal in the aggregate principal amount of \$21,300 with the Company receiving \$15,000 in cash proceeds. Effective May 10, 2023, the Company issued the May 2023 Note to 1800 Diagonal consistent with the terms of the May 2023 Securities Purchase Agreement. The May 2023 Note bears interest at 12%, with a 22% rate in the event of default, with an Original Issue Discount of \$1,050 and matures on May 10, 2024. Pursuant to the terms of the May 2023 Note, the outstanding principal and accrued interest on the note shall be convertible beginning six months from issuance into shares of the Company’s common stock at 61% of the lowest trading price of the Company’s common stock during the 20 days prior to conversion. The Company recognized \$6,300 of discount and deferred finance costs and amortized \$2,462 during the six months ended June 30, 2023. The conversion option on the note payable was not bifurcated as a derivative under ASC 815 due to sufficient authorized shares being available to settle the conversion feature.

On July 3, 2023, the Company entered into a Securities Purchase Agreement (the “July 2023 Securities Purchase Agreement”) with 1800 Diagonal Lending LLC (“1800 Diagonal”). Pursuant to the terms of the July 2023 Securities Purchase Agreement, the Company issued a convertible promissory note (the “July 2023 Note”) to 1800 Diagonal in the aggregate principal amount of \$47,250 with the Company receiving \$40,000 in cash proceeds. Effective July 3, 2023, the Company issued the July 2023 Note to 1800 Diagonal consistent with the terms of the July 2023 Securities Purchase Agreement. The July 2023 Note bears interest at 12%, with a 22% rate in the event of default, with an Original Issue Discount of \$2,250 and matures on April 15, 2024. Pursuant to the terms of the July 2023 Note, the outstanding principal and accrued interest on the note shall be convertible beginning six months from issuance into shares of the Company’s common stock at 61% of the lowest trading price of the Company’s common stock during the 20 days prior to conversion. The Company recognized \$7,250 of discount and deferred finance costs and amortized \$2,248 during the year ended September 30, 2023. The conversion option on the note payable was not bifurcated as a derivative under ASC 815 due to sufficient authorized shares being available to settle the conversion feature.

As of September 30, 2023 and September 30, 2022, accrued interest on convertible notes payable was \$225,363 and \$225,953, respectively.

Conversions to Common Stock

During the year ended September 30, 2023, the holders of the April 2017 convertible note payable elected to convert principal of \$20,000 into 2,000,000 shares of common stock. The conversion was in accordance with the terms of the agreement and no gain or loss was recognized.

[Table of Contents](#)**Advances**

As of September 30, 2023 and 2022, the Company had non-interest bearing advances payable to third parties of \$59,650. These advances are payable on demand.

Note 6. Stockholders' deficit**Preferred Stock**

Our authorized preferred stock consists of 20,000,000 shares of \$0.001 par value preferred stock.

Series A Preferred Stock – Our board of directors has designated up to 6,000,000 shares of Series A Preferred Stock. The Series A Preferred Stock has a liquidation value of \$2.00 per share. The initial number issued is 5,000,000 with additional shares to be issued as a dividend not to exceed a total of 6,000,000 shares. The rank of the Series A is prior to all common and preferred shares. In addition, the Series A Preferred Stock retains protective provisions to maintain their seniority with respect to liquidation or dissolution. The Series A Preferred Stock holds no voting rights and earns an 8% per annum dividend, payable in additional shares of Series A Preferred Stock. At September 30, 2023 and 2022, there were no shares of our Series A Preferred Stock outstanding, respectively.

Series B Preferred Stock – Our board of directors has designated up to 1,000,000 shares of Series B Preferred Stock. The Series B Preferred Stock has a liquidation value of \$1.00 per share. The holders of the Series B Preferred Stock are entitled to dividends of 8% per year payable quarterly in cash or in shares of common stock at the option of the Company. The holders of the Series B Preferred Stock have no voting rights. The Series B Preferred Stock is redeemable at the option of the Company at a price of \$1.00 per share. At September 30, 2023 and 2022, there were no shares of our Series B Preferred Stock outstanding.

Series C Preferred Stock – On September 12, 2017, our board of directors designated up to 1,200,000 shares of Series C Preferred Stock with a liquidation value of \$0.50 per share. The holders of the Series C Preferred Stock have no voting rights. The Series C Preferred Stock is convertible at the option of the holder into shares of common stock at a rate of one share of common stock for each share of Series C Preferred Stock. The Series C Preferred Stock is redeemable at the option of the Company at a price of \$0.50 per share. The Series C Preferred Stock has been canceled, and there are no shares of Series C Preferred Stock outstanding as of September 30, 2023 and 2022.

Series D Preferred Stock – On September 21, 2017, our board of directors designated up to 539,988 shares of Series D Preferred Stock with a liquidation value of \$1.00 per share. The holders of the Series D Preferred Stock have no voting rights. The Series D Preferred Stock is convertible at the option of the holder into shares of common stock at a rate of \$0.01 per share of common stock. The Series D Preferred Stock is not redeemable. In July 2023, the Company issued 50,998,800 shares to the holder of the Series D Preferred Stock for Full conversion of 509,988 shares outstanding. At September 30, 2023 and 2022, there were 0 and 509,988 shares of Series D Preferred Stock outstanding, respectively.

Series E Preferred Stock – On August 3, 2015, our board of directors designated 1,000,000 shares of Series E Preferred stock. The Series E Preferred stock is subordinate to our common stock. It does not receive dividends and does not participate in equity distributions. The Series E Preferred stock retained 2/3 of the voting rights in the Company.

At September 30, 2023 and 2022, there were 1,000,000 shares of Series E Preferred stock outstanding. Dividends, when, as and if declared by the Board of Directors, shall be paid out of funds at the time legally available for such purposes.

Series F Preferred Stock – On September 21, 2017, our board of directors designated up to 501,975 shares of Series F Preferred Stock with a liquidation value of \$1.00 per share. The holders of the Series F Preferred Stock have no voting rights. The Series F Preferred Stock is convertible at the option of the holder into shares of common stock at a rate of \$0.01 per share of common stock. The Series F Preferred Stock is not redeemable. At September 30, 2021, 386,975 shares of the Series F Preferred Stock were issued and outstanding. During the year ended September 30, 2022, 257,984 shares of Series F Preferred Stock was converted into 25,798,400 shares of common stock. At September 30, 2023 and 2022, 128,991 shares of the Series F Preferred Stock were issued and outstanding.

Conversions to Common Stock of Convertible Notes Payable

During the year ended September 30, 2023, the holders of the April 2017 convertible note payable elected to convert principal of \$20,000 into 2,000,000 shares of common stock. The conversion was in accordance with the terms of the agreement and no gain or loss was recognized.

[Table of Contents](#)**Common stock issued for Services**

On April 6, 2023, the Company issued 50,000,000 shares to a consultant for services rendered to the Company. The shares had a fair value of \$360,000.

Common stock issued for settlement of liabilities

During the year ended September 30, 2022, the Company issued 6,000,000 shares of common stock and 900,000 warrants for the settlement of liabilities totaling \$15,000. The Company recorded a \$146,460 loss on settlement of liabilities related to this transaction.

On April 4, 2023, the Company issued 7,422,535 shares to James Katzaroff to settle \$50,000 of accrued compensation. The Company recognized a loss of \$3,442 on this issuance based on the fair value of the shares issued.

On April 25, 2023, the Company issued 7,261,087 shares of common stock to 7 to Stand to settle the outstanding royalty balance of \$50,102 under the License Agreement. The Company recognized a gain of \$10,166 on the issuance related to the fair value of the shares. See Note 7.

Common stock issued for stock payable

In July 2023, the Company also issued a total of 1,512,152 shares to settle subscription payables of \$5,000.

In December 2021, the Company issued 19,980,000 shares of common stock as part of the common stock unit sales that occurred during the year ended September 30, 2021. As of September 30, 2022, no shares are remaining to be issued for these unit sales.

In September 2022, the Company received two subscriptions of \$5,000 in cash for 1,515,152 shares of common stock and an equal number of warrants to purchase common stock at an exercise price of \$0.01 for one year. In December 2022, the Company received \$5,000 of cash as a subscription for an additional 1,515,152 shares of common stock and an equal number of warrants to purchase common stock at an exercise price of \$0.01 for one year. The warrants had a fair value of \$4,067 based on a Black-Scholes pricing model using the following assumptions: 1) volatility of 176.37%; 2) risk free rate of 4.74%; 3) dividend yield of 0% and 4) expected term of 1 year. In February 2023, the Company received \$8,000 of cash and \$7,000 of expenses paid on the Company's behalf as a subscription for 7,500,000 shares of common stock. The common shares were issued in May 2023.

Common Stock Warrants

During the year ended September 30, 2023, the Company amended the exercise price of the common stock warrants issued to investors in its 2021 private placement to reduce the price from \$0.03 per share to \$0.01 per share. In accordance with ASC 718, the Company estimated the incremental value of the warrants based on terms immediately preceding the amendment, and immediately after the amendment, using the follow range of assumptions in a Black-Scholes option price model: 1) volatility of 203%; 2) expected term of approximately one year; 3) risk-free rate of 5.05%; 5) a common stock price at the date of grant of \$0.086 and 6) a dividend yield of 0%. The Company recognized stock-based compensation expense of \$51,761 related to the repricing.

In February 2022, the Company entered into a consulting agreement with Spivak Management, Inc. (the "Consultant"). Under the agreement, the Consultant will provide business strategy advice and introductions to the Company for a period of five years unless mutually terminated sooner. The Consultant is also entitled to additional warrants in the event of the Company issuing equity or equity equivalents in the future, with him receiving an number of warrants equal to 3% of future warrants issued, excluding grants to officers. The exercise price of these additional warrants will be 110% of the price per equity equivalent. The total fair value of these option grants at issuance was \$53,117 using the follow range of assumptions in a Black-Scholes option price model volatility of 215.45 % - 253.78% ; 2) risk free rate of 2.37% - 4.46%; 3) dividend yield of 0% and 4) expected term of 5.0 years. During the years ended September 30, 2023 the Company recognized \$53,117, related to this agreement, respectively.

The Company recognized \$322,266 of expense related to these warrants during the year ended September 30, 2022. The Company estimated the fair value of the warrants based on a Black-Scholes pricing model using the following assumptions: 1) volatility of 254.43%; 2) risk free rate of 1.76%; 3) dividend yield of 0% and 4) expected term of 5 years.

[Table of Contents](#)

The following table summarizes the stock warrant activity for the years ended September 30, 2023 and 2022:

	Warrants	Weighted-Average Exercise Price Per Share
Outstanding, September 30, 2021	29,970,000	\$ 0.03
Granted	41,415,152	0.01
Exercised	—	—
Forfeited	—	—
Expired	—	—
Outstanding, September 30, 2022	71,385,152	\$ 0.02
Granted	90,181,342	0.002
Exercised	—	—
Forfeited	—	—
Expired	(3,030,304)	0.01
Outstanding, September 30, 2023	<u>158,536,190</u>	\$ 0.01

As of September 30, 2023, the outstanding warrants had an expected remaining life of 1.60 years and have an intrinsic value of \$69,300.

Common Stock Options

As discussed in Note 4, The Company awarded common stock options to Mr. Katzaroff in connection with his amended and restated employment agreement. During the year ended September 30, 2023, the Company estimated the fair value of the options to be \$53,117, using the following assumptions range: 1) volatility of 215.45 % - 253.78% ; 2) risk free rate of 2.37% - 4.46%; 3) dividend yield of 0% and 4) expected term of 5.0 years. The Company recognized \$108,802 of expense related to the fair value of options vesting during the year ended September 30, 2023. The Company recognized \$186,926 of expense related to the fair value of options vesting during the year ended September 30, 2022. The Company expects to recognize an additional \$42,229 of expense related to these options assuming all vest.

The Company also recognized \$696,294 of expense related to the estimated fair value of stock options awarded to officers of the Company. The Company awarded 50,000,000 options with a \$0.01 exercise price to the Company's CFO Robert Chicoski that expire in May 2026, and awarded 20,000,000 options with an exercise price of \$0.01 each to Mr. Farley and Mr. Penderghast which expire in April 2026. The fair value was estimated using a Black-Scholes option pricing model and the following assumptions: 1) volatility of 184%; 2) expected term of approximately three years; 3) risk-free rate of 4.52%; 5) a common stock price at the date of grant of \$0.086 and 6) a dividend yield of 0%. The option wards vested immediately.

At September 30, 2023, the Company had \$42,229 of unrecognized expenses related to options.

The following table summarizes the stock option activity for the years ended September 30, 2023 and 2022:

	Options	Weighted-Average Exercise Price Per Share
Outstanding, September 30, 2021	70,000,000	\$ 0.03
Granted	35,000,000	0.01
Exercised	—	—
Forfeited	—	—
Expired	—	—
Outstanding, September 30, 2022	105,000,000	0.02
Granted	101,632,356	0.01
Exercised	—	—
Forfeited	—	—
Expired	(70,000,000)	0.03
Outstanding, September 30, 2023	<u>136,632,356</u>	\$ 0.01

[Table of Contents](#)

As of September 30, 2023, the aggregate intrinsic value of options vested and outstanding were \$0. As of September 30, 2023, the outstanding options had a weighted average remaining term of 2.94 years.

Note 7. Series G Preferred Stock

On August 11, 2021, our board of directors designated up to 1,000,000 shares of Series G Preferred Stock with a liquidation value of \$1.00 per share. The holders of the Series G Preferred Stock have no voting rights except on matters related specifically to the Series G Preferred Stock. The Series G Preferred Stock carries a dividend of 8% of the stated value per share, which is cumulative and payable upon redemption, liquidation or conversion, and increases to 22% in case of default. The Series G Preferred Stock and accrued dividends are convertible beginning 180 days from issuance at the option of the holder into shares of common stock at a rate of a conversion price of 75% of the average three lowest trading prices during the 15 days prior to conversion. The Company will be required to redeem the Series G Preferred Stock upon the earlier of 15 months from issuance date or upon an event of default as defined in the agreement.

Based on the economic characteristics of the Series G Preferred Stock, the Company determined that the Series G should be accounted for as a liability under ASC 480-10, based on the discounted conversion price providing an effectively fixed monetary amount that the preferred stock is convertible into.

During the year ended September 30, 2023, the Company sold an aggregate of 89,100 shares of Series G Preferred Stock for net cash proceeds of \$73,000. The Company recorded a debt discount of \$16,100 for the difference between the cash proceeds and the total amount to be redeemed by the holder of \$89,100. The Company amortized \$28,681 of discount related to Series G Preferred Stock for the year ended September 30, 2023. The dividends on the Series G Preferred Stock are accrued as interest. The Company recognized \$5,039 of interest on the Series G Preferred Stock and had an accrued interest balance of \$3,556 and \$3,983 as of September 30, 2023 and September 30, 2022, respectively. During the year ended September 30, 2023, the holder of the Series G converted 227,975 shares of Series G and \$9,119 of dividends into 100,712,968 shares of common stock. The conversions were in accordance with the terms of the agreement and no gain or loss was recognized.

During the year ended September 30, 2022, the Company sold an aggregate of 369,875 shares of Series G Preferred Stock for net cash proceeds of \$310,000. The Company recorded a debt discount of \$59,875 for the difference between the cash proceeds and the total amount to be redeemed by the holder of \$369,875. The Company amortized \$54,664 of discount related to Series G Preferred Stock for the year months ended September 30, 2022. The dividends on the Series G Preferred Stock are accrued as interest. The Company recognized \$15,852 of interest on the Series G Preferred Stock and had an accrued interest balance of \$3,983 and \$1,281 as of September 30, 2022 and September 30, 2021, respectively. During the year ended September 30, 2022, the holder of the Series G converted 324,500 shares of Series G and \$12,980 of dividends into 109,052,543 shares of common stock, and the Company recognized a loss of \$5,939.

As of September 30, 2023 and September 30, 2022, 0 and 138,875 shares of the Series G Preferred Stock were issued and outstanding, respectively. The balance of the Series G Preferred stock liability was \$0 and \$126,294, respectively, net of unamortized discount of \$0 and \$12,581, respectively.

Note 8. Commitments and Contingent Liabilities

In February 2022, the Company entered into a consulting agreement with Spivak Management, Inc. (the "Consultant"). Under the agreement, the Consultant will provide business strategy advice and introductions to the Company for a period of five years unless mutually terminated sooner. Concurrently, Kenin Spivak, who controls Spivak Management, Inc., entered into a stock purchase agreement with the Company to purchase 6,000,000 shares of common stock for \$25,000 cash. The purchase and issuance of the shares was to be completed by June 30, 2022.

The Consultant will be paid a signing bonus of \$25,000 upon receipt by the Company of the \$25,000 cash under the stock purchase agreement described above. The Consultant will also receive the larger of \$12,500 per month, or 50% of the CEO's fixed cash compensation under the amended employment agreement described in Note 4. The Consultant may elect to receive this payment in stock.

In July 2022, the consultant agreement and the stock purchase agreement were amended to reduce the subscription amount to \$17,500. In August 2022, \$17,500 was placed in escrow by Mr. Spivak for the Company's Benefit, and the Company paid \$17,500 to the Consultant from the escrow account. The 6,000,000 shares owed to Mr. Spivak were not issued by June 30, 2023, and were issued in August 2023.

[Table of Contents](#)

The Consultant may also receive a bonus in each calendar year of the agreement equal to the larger of any bonus awarded by the Board of Directors to the Consultant or 50% of the largest bonus payable by the Company to anyone other than the Consultant. If the agreement is terminated with one year of a change of control of the Company, the Consultant will be entitled to receive a payment equal to 2.99 times the larger of the total compensation paid to the Consultant over the prior 12 month period or the average compensation paid or payable to the Consultant over the prior three years. On September 19, 2023, the Company entered into a second supplement to consulting agreement. Pursuant to the agreement, in lieu of Base Fees accrued through September 2023 and interest on late payment thereof, the Company shall pay to the Consultant, the sum of \$300,000 in installments on and from the first to occur of the following until the full \$300,000 is paid in full. The Company will continue to pay the Consultant a fee of \$12,500 per month. The Company reclassified \$250,000 of fee accrued in accounts payable owed to the Consultant and interest expense of \$50,000 to a note payable. As of September 30, 2023 and September 30, 2022, the Company owed the consultant \$337,500 and \$100,000, which included accounts payable and accrued liabilities of \$37,500 and \$100,000 and notes payable of \$300,000 and \$0, respectively.

On August 10, 2023, the Company entered into a consulting agreement with Valerian Capital, LLC ("Valerian"). Under the agreement, Valerian will provide management consulting, business advisory, shareholder information and public relations to the Company for a period of six months unless mutually terminated sooner. Upon execution of the agreement, Valerian will purchase 33,333,333 shares of the Company's stock for a total purchase price of \$25,000 and have the option to purchase an additional 33,333,333 shares for \$25,000 during the first 45 days of the agreement. Lastly, Valerian will have the right to purchase 66,000,000 warrants with an exercise price of \$0.00075 for up to one year following the agreement. As of September 30, 2023, the Company received \$25,000 and issued 33,333,333 shares of common stock to Valerian.

Litigation

From time to time, the Company may be subject to routine litigation, claims, or disputes in the ordinary course of business. In the opinion of management, no pending or known threatened claims, actions or proceedings against the Company are expected to have a material adverse effect on the Company's financial position, results of operations or cash flows. The Company cannot predict with certainty, however, the outcome or effect of any of the litigation or investigatory matters specifically described above or any other pending litigation or claims. There can be no assurance as to the ultimate outcome of any lawsuits and investigations.

Note 9. License Agreement

Effective August 23, 2020 the Company's wholly-owned subsidiary, SomaCeuticals, Inc. entered into an exclusive global license agreement with 7 to Stand, Inc. for the rights to U.S. patent 10,610,592 issued to Fabrizio de Silvestri, Terni, Italy, as inventor, April 7, 2020 for treatment of Multiple Sclerosis. In consideration for the license agreement, SomaCeuticals agreed to pay 7 to Stand a royalty of 7.1% of the net sales of any product developed under the patent on a worldwide basis. Additionally, the Company will issue shares of common stock to 7 to Stand upon completion of the following milestones:

- Common shares representing 5% of total number of outstanding common shares of the Company immediately following any change of control of the Company; the Company issued 29,130,167 shares of common stock as a result of the change of control discussed in Note 5. These shares were issued in July 2021.
- 29,130,167 Common shares immediately following the first round of funding under a private offer of equity or debt securities; These shares were issued in July 2021.
- 29,130,167 Common shares immediately following the commencement of clinical trials for Federal Drug Administration clearance of the product; and
- Common shares representing an adjustment to increase 7 to Stand's total ownership to 19.99% of total number of outstanding common shares of the Company immediately following FDA clearance of the product for sale. The Company expects to issue 29,130,166 shares of common stock related to this provision if met.
- \$40,000 of royalties to be paid to 7 to Stand annually, on a quarterly basis. The license agreement may be terminated by 7 to Stand if 1) SomaCeuticals does not begin clinical trials within one year of the agreement; 2) if SomaCeuticals terminates the continuation of the clinical trials; or 3) shall not commence marketing the product within reasonable time after obtaining FDA approval.

[Table of Contents](#)

The Company paid no royalties and accrued \$43,851 of royalties and late fees during the year ended September 30, 2023. During the year ended September 30, 2023, the Company and 7 to Stand agreed to settle a total of \$50,102 by issuance of 7,261,087 shares of common stock. The Company recognized a gain of \$10,166 based on the fair value of the shares issued.

The Company owed \$20,000 of royalties and late fees under this agreement as of September 30, 2023 and \$26,250 as of September 30, 2022.

Note 10. Income Taxes

There is no current or deferred income tax expense or benefit for the period ended September 30, 2023 and 2021. The Company currently has net operating loss carryforwards aggregating approximately \$5,217,000 which expire beginning in 2033. The deferred tax asset related to the net operating loss carryforwards has been fully reserved.

The provision for income taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The items causing this difference for the period from April 29, 2016 (date of inception) through September 30, 2023 and 2022 is the valuation allowance as follows.

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Net operating loss carryforward at statutory tax rate	\$ 1,096,000	\$ 962,000
Valuation allowance	(1,096,000)	(962,000)
Deferred tax benefit, net	<u>\$ —</u>	<u>\$ —</u>

The Company has not recognized an income tax benefit for the period based on uncertainties concerning its ability to generate taxable income in future periods. The tax benefit for the current period presented is offset by a valuation allowance (100%) established against deferred tax assets arising from operating losses and other temporary differences, the realization of which could not be considered more likely than not. In future periods, tax benefits and related deferred tax assets will be recognized when management considers realization of such amounts to be more likely than not.

The tax returns for fiscal year 2017 and forward are still open for review by the Internal Revenue Service.

Note 11. Subsequent Events

On November 2, 2023, the Company entered into a consulting agreement with Advanced Innovate Partners (“AIP”) under which AIP will provide advice to GlobeStar and SMIHC on the global design, strategy and execution of clinical trials. Pursuant to the agreement, the Company will pay the following (i) AIP \$5,000 per month during Phase A period, if the Company receives regulatory approval to manufacture, sell and distribute products in India or the United States within 60 days of the agreement (ii) AIP \$6,000 per month during Phase B period (iii) AIP a sales commission of between 10% and 15% related to any customers, distributors or sales agents introduced to the Company by AIP and (iv) a commission of 4% of any proceeds from equity investments to the Company introduced by AIP, or 2% of any loan proceeds from lenders introduced by AIP.

Subsequent to September 30, 2023, the holder of the May 10, 2023 convertible note was issued 30,297,790 shares of common stock upon conversion of all \$21,300 of principal and \$1,278 of accrued interest.

[Table of Contents](#)**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**Changes in Accountants

None.

Disagreements with Accountants

None.

ITEM 9A. CONTROLS AND PROCEDURESEvaluation of Disclosure Controls and Procedures

Our management evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2023 (the “Evaluation Date”). The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2023, our management concluded that, as of such date, our disclosure controls and procedures were not effective at the reasonable assurance level.

Limitations on Systems of Controls

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. To address the material weaknesses identified in our evaluation, we performed additional analysis and other post-closing procedures in an effort to ensure our consolidated financial statements included in this annual report have been prepared in accordance with generally accepted accounting principles. Accordingly, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

Management’s Report on Internal Control over Financial Reporting**Management’s Annual Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. 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 in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has conducted an assessment, including testing of the effectiveness, of our internal control over financial reporting as of Evaluation Date. Management’s assessment of internal control over financial reporting was conducted using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013 Framework).

[Table of Contents](#)

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of September 30, 2023, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: inadequate segregation of duties consistent with control objectives; and, management is dominated by a single individual. The aforementioned material weaknesses were identified by our Chief Executive Officer in connection with the review of our financial statements as of September 30, 2023.

The Company recognizes the following weaknesses and deficiencies of the Company as of September 30, 2023:

We recognized the following deficiencies that we believe to be material weaknesses:

- The Company has not fully designed, implemented or assessed internal controls over financial reporting. Due to the Company being a development stage company, management’s assessment and conclusion over internal controls were ineffective this year.

We recognized the following deficiencies that we believe to be significant deficiencies:

- The Company has no formal control process related to the identification and approval of related party transactions.
- No formal written policy for the approval, identification and authorization of related party transactions currently exists.

Management believes that the material weaknesses set forth above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

ITEM 9B. OTHER INFORMATION

None

[Table of Contents](#)**PART III****ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Our officer and directors will serve until successors are elected and qualified. Our officers are elected by the board of directors to a term of one (1) year and serve until their successors are duly elected and qualified, or until they are removed from office. The board of directors has an auditing committee but no nominating or compensation committees.

The name, address, age and position of our president, secretary/treasurer, and director and vice president is set forth below:

Name	Age	Position
James C. Katzaroff 719 Jadwin Avenue, Richland, WA, 99352	66	Chief Executive Officer, President, Secretary, Principal Executive Officer, and Chairman of the Board
Robert Chicoski, CPA	81	Chief Financial officer, Treasurer, Principal Financial Officer
William Farley	68	Director
Steven Penderghast		Director

James C. Katzaroff. From 2007 through 2016 was Chief Executive Officer and controlling shareholder is the founder of Advanced Medical Isotope Corp. (now Vivos, Inc) a late stage radiation oncology focused medical device company engaged in the development of yttrium-90 based brachytherapy devices for the treatment of unresectable tumors. Effective May 2020, Mr. Katzaroff became the Chief Executive officer and controlling shareholder of Poverty Dignified, Inc. (OTC PVDG).

Robert Chicoski. From 1973 to 2021 was a practicing Certified Public Accountant, beginning with KPMG and continuing as a contract Controller and Interim CFO of client companies. He was CFO and co-founder of Oceanside Energy in Worcester, MA a pioneer in an on-line reverse-auction trading platform for the purchase of substantial amounts of electricity and natural gas. In the early 2000's Oceanside Energy enjoyed its IPO as World Energy Solutions (OTC XWES).

William Farley has over 35 years' experience in the Business Development, Sales and leading efforts in drug discovery, development and partnering. Mr. Farley holds a senior leadership position at Sorrento Therapeutics. He began his career at Johnson and Johnson and has held positions at Pfizer and HitGen Ltd., at WuXi Apptec creating, building and leading global BD teams, VP of BD at ChemDiv where he leads numerous efforts to create new therapeutic companies in CNS, Oncology and Anti infectives. Mr. Farley serves on the BOD of GlobeStar and Xortex. Bill serves as a consultant to various executive management teams as well as advising several BODs on commercialization of assets. Mr. Farley has spoken at numerous conferences and is published in variety of journals, received his Bachelor of Science degree in Chemistry from State University of New York , Oswego and has taken graduate courses at Rutgers and UC Irvine.

Steven Penderghast Medical device & technology professional with over 25 years experience in Corporate National Accounts, Sales & Management, Product Management, Marketing Management, Clinical Research and Regulatory Affairs. Since 2013, as Corporate Vice President, National Accounts as well as Corporate Regional Vice President/SCG for BD/CR Bard Inc., Corporate Customer Group, Franklin Lakes, New Jersey, has responsibility for Strategic account corporate relationships IDN and regional purchasing groups in Western USA; Strategic oversight of national and regional GPO business contracting and product segment agreements; Corporate guidance over product segment commercialization and technology introductions.

Family Relationships

There are no family relationships among our directors, executive officers or persons nominated to become executive officers or directors.

Involvement in Certain Legal Proceedings

During the past ten (10) years, none of our directors, persons nominated to become directors, executive officers, promoters or control persons was involved in any of the legal proceedings listed in Item 401 (f) of Regulation S-K.

[Table of Contents](#)[Arrangements](#)

There are no arrangements or understandings between an executive officer, director or nominee and any other person pursuant to which he was or is to be selected as an executive officer or director.

[Committees of the Board of Directors](#)

There are no members of the established Audit Committee.

We do not have a policy regarding the consideration of any director candidates that may be recommended by our stockholders, including the minimum qualifications for director candidates, nor have our directors established a process for identifying and evaluating director nominees. We have not adopted a policy regarding the handling of any potential recommendation of director candidates by our stockholders, including the procedures to be followed. Our directors have not considered or adopted any of these policies, as we have never received a recommendation from any stockholder for any candidate to serve on our Board of Directors. Given our relative size and lack of directors and officers insurance coverage, we do not anticipate that any of our stockholders will make such a recommendation in the near future.

While there have been no nominations of additional directors proposed, in the event such a proposal is made, all current members of our Board will participate in the consideration of director nominees.

Our directors are not “committee financial experts” within the meaning of Item 401(e) of Regulation S-K. In general, an “audit committee financial expert” is an individual member of the audit committee or Board of Directors who:

- understands generally accepted accounting principles and financial statements,
- is able to assess the general application of such principles in connection with accounting for estimates, accruals and reserves,
- has experience preparing, auditing, analyzing or evaluating financial statements comparable to the breadth and complexity to our financial statements,
- understands internal controls over financial reporting, and
- understands audit committee functions

Our Board of Directors is comprised of Ms. Blankenship who is involved in our day-to-day operations. On February 23, 2018, the Company was notified that Robert W. Fryer tendered his resignation as an independent director. We would prefer to have an audit committee financial expert on our board of directors. As with most small, early-stage companies until such time our company further develops its business, achieves a stronger revenue base and has sufficient working capital to purchase directors and officers insurance, the Company does not have any immediate prospects to attract independent directors. When the Company is able to expand our Board of Directors to include one or more independent directors, the Company intends to establish an Audit Committee of our Board of Directors. It is our intention that one or more of these independent directors will also qualify as an audit committee financial expert. Our securities are not quoted on an exchange that has requirements that a majority of our Board members be independent and the Company is not currently otherwise subject to any law, rule or regulation requiring that all or any portion of our Board of Directors include “independent” directors, nor are we required to establish or maintain an Audit Committee or other committee of our Board of Directors.

WE DO NOT HAVE ANY INDEPENDENT DIRECTORS AND THE COMPANY HAS NOT VOLUNTARILY IMPLEMENTED VARIOUS CORPORATE GOVERNANCE MEASURES, IN THE ABSENCE OF WHICH, STOCKHOLDERS MAY HAVE MORE LIMITED PROTECTIONS AGAINST INTERESTED DIRECTOR TRANSACTIONS, CONFLICTS OF INTEREST, AND SIMILAR MATTERS.

[Code of Business Conduct and Ethics](#)

We have adopted a code of ethics meeting the requirements of Section 406 of the Sarbanes-Oxley Act of 2002. We believe our code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely, and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of violations; and provide accountability for adherence to the provisions of the code of ethic.

[Table of Contents](#)
ITEM 11. EXECUTIVE COMPENSATION

Prior to her separation from the Company in March 2021, Ms. Blankenship was paid \$5,000 per month for her services to the company. The Company's CEO is paid \$15,000 per month, and the Company's CFO is paid \$7,000 per month. No amounts were paid in cash during the years ended September 30, 2021 and 2022.

The table below summarizes all compensation awards paid or accrued to our named executive officer for all service rendered in all capacities to us for the fiscal periods ended September 30, 2022 and 2023.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation (\$)	All Other Compensation (\$)	Total (\$)
James C. Katzaroff	2023	\$ 180,000(a)	— \$	—	\$ 53,117(b)	—	—	— \$	231,117
	2022	\$ 177,933(a)	— \$	—	\$ 284,840(b)	—	—	— \$	462,773
Robert R. Chicoski	2023	\$ 84,000	— \$	—	\$ 387,238	—	—	— \$	468,238
	2022	\$ 84,000	— \$	—	—	—	—	— \$	84,000
Alex Blankenship	2022	\$ —(a)	— \$	—	—	—	—	— \$	—

(a) Includes amount accrued during the year;

(b) Includes 11,632,356 options issued to Mr. Katzaroff pursuant to amended employment agreement. Includes 50,000,000 options issued Robert Chicoski on February 24, 2023

OUTSTANDING EQUITY AWARDS AT SEPTEMBER 30, 2023

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares or Other Rights That Have Not Vested (#)
James C. Katzaroff	46,632,356	6,807,977	—	\$0.002 - \$0.011	February 7, 2027 - September 16, 2028	—	—	—
Robert Chicoski	50,000,000	—	—	\$0.01	February 24, 2023	—	—	—

Employment Agreements & Retirement Benefits

None of our executive officers is subject to employment agreements, but we may enter into such agreements with them in the future. We have no plans providing for the payment of any retirement benefits.

[Table of Contents](#)**Director Compensation**

Directors receive no compensation for serving on the Board. We have no non-employee directors.

Our Board of Directors is comprised of James C. Katzaroff who also serves as the CEO of the Company, William Farley and Steven Penderghast. None of our directors has or had a compensation arrangement with the Company for director services, nor have any of them been compensated for director services since the Company's inception.

We reimburse our directors for all reasonable ordinary and necessary business related expenses, but we did not pay director's fees or other cash compensation for services rendered as a director in the period ended September 30, 2023 to any of the individuals serving on our Board during that period. We have no standard arrangement pursuant to which our directors are compensated for their services in their capacity as directors. We may pay fees for services rendered as a director when and if additional directors are appointed to the Board of Directors.

Director Independence

We currently have two independent directors and we do not anticipate appointing additional directors in the foreseeable future.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

We do not currently have a stock option plan in favor of any director, officer, consultant, or employee of our company. No individual grants of stock options, whether or not in tandem with stock appreciation rights known as SARs or freestanding SARs have been made to our directors and officer since our inception; accordingly, no stock options have been granted or exercised by our directors and officer since we were founded.

The following table sets forth certain information as of January 16, 2023, with respect to the beneficial ownership of our common stock by each beneficial owner of more than 5% of the outstanding shares of common stock of the Company, each director, each executive officer named in the "Summary Compensation Table" and all executive officers and directors of the Company as a group, and sets forth the number of shares of common stock owned by each such person and group. Unless otherwise indicated, the owners have sole voting and investment power with respect to their respective shares.

<u>Name of Beneficial Owner</u>	<u>Number of Shares Beneficially Owned</u>	<u>Percentage of Outstanding Common Stock Owned</u>
Robert Chicoski	11,000,000	1.07%
James C. Katzaroff	17,422,535 (1)	1.70%
2021 Pharma Associates LLC (7 to Stand)	58,260,334	5.68%
All directors and executive officers as a group (2) persons.	28,422,535	2.77%

(1) Does not include shares of common stock underlying 1,000,000 shares of the Company's Series E Preferred Stock owned by Mr. Katzaroff. The Series E Preferred Stock carries two votes for each outstanding share of the Company's common stock and, as a result, has 2/3 voting control over any shareholder votes.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

None.

[Table of Contents](#)**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The following table summarize the fees billed to the Company by its independent accountants, Fruci & Associates II, PLLC for the year ended September 30, 2023 and M&K CPAs PLLC, for the years ended September 30, 2022:

	<u>2023</u>	<u>2022</u>
Audit Fees	\$ 31,500	\$ 23,500
Audit Related Fees (1)	\$ —	\$ —
Tax Fees (2)	\$ —	\$ —
All Other Fees (3)	\$ —	\$ —
Total Fees	<u>\$ 31,500</u>	<u>\$ 23,500</u>

Notes to the Accountants Fees Table:

- (1) Consists of fees for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees."
- (2) Consists of fees for professional services rendered by our principal accountants for tax related services.
- (3) Consists of fees for products and services provided by our principal accountants, other than the services reported under "Audit Fees," "Audit-Related Fees" and "Tax Fees" above.

As part of its responsibility for oversight of the independent registered public accountants, the Board has established a pre-approval policy for engaging audit and permitted non-audit services provided by our independent registered public accountants. In accordance with this policy, each type of audit, audit-related, tax and other permitted service to be provided by the independent auditors is specifically described and each such service, together with a fee level or budgeted amount for such service, is pre-approved by the Board. All of the services provided by Fruci & Associates, II, PLLC and M&K CPAs PLLC described above were approved by our Board.

The Company's principal accountant did not engage any other persons or firms other than the principal accountant's full-time, permanent employees.

[Table of Contents](#)**PART IV****ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

3.1	Articles of Incorporation (1)
3.2	Bylaws (2)
14.1	Code of Ethics (3)
21	Subsidiaries of the Registrant (4)
31.1	Rule 13(a)-14(a)/15(d)-14(a) Certification of principal executive officer (4)
31.2	Rule 13(a)-14(a)/15(d)-14(a) Certification of principal financial officer (4)
32.1	Section 1350 Certification of principal executive officer (4)
32.2	Section 1350 Certification of principal financial officer (4)
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document. (5)
101.SCH	Inline XBRL Taxonomy Extension Schema Document (5)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document (5)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document (5)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document (5)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document (5)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) (5)

(1) Incorporated by reference to our Definitive Proxy Statement on Schedule 14A filed on April 8, 2015.

(2) Incorporated by reference to our Form 10-K/A Amendment No. 1 for the year ended September 30, 2015 filed on January 22, 2016.

(3) Incorporated by reference to our Form S-1 filed with the Securities and Exchange Commission on November 3, 2010.

(4) Filed or furnished herewith.

(5) In accordance with Regulation S-T, the Interactive Data Files in Exhibit 101 to the Annual Report on Form 10-K shall be deemed “furnished” and not “filed.”

[Table of Contents](#)**SIGNATURES**

Pursuant to the requirements 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.

GlobeStar Therapeutics Corporation

Date: January 19, 2024

BY: /s/ James C. Katzaroff

James C. Katzaroff

Chief Executive Officer, President, Secretary, Principal Executive Officer, and Director

Date: January 19, 2024

BY: /s/ Robert Chicoski

Robert Chicoski

Chief Financial Officer, Treasurer, Secretary, Principal Financial And Accounting Officer

- 46 -