

UNITED STATES  
SECURITIES 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 **August 31, 2021**

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. **000-55852**

### GRIDIRON BIONUTRIENTS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

36-4797193

(I.R.S. Employer Identification No.)

**6991 East Camelback Road Suite D-300**

**Scottsdale, AZ 85251**

(Address of principal executive offices, zip code)

**(800) 570-0438**

(Registrant's telephone number, including area code)

\_\_\_\_\_  
(Former name, former address and former fiscal year, if changed since last report)

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| none                | not applicable    | not applicable                            |

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

**common stock, \$.001 par value**

(Title of class)

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 and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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. (Check one):

|   |                          |                           |                                     |
|---|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer                       | <input type="checkbox"/> | Non-accelerated filer     | <input checked="" type="checkbox"/> |
| Accelerated filer                             | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |
| (Do not check if a smaller reporting company) |                          | Emerging growth company   | <input 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes

No

At February 28, 2021, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting common stock held by non-affiliates of the registrant (without admitting that any person whose shares are not included in such calculation is an affiliate) was \$229,061.

At December 10, 2021, there were 20,020,239 shares of the registrant's common stock, par value \$0.001 per share outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980). None.

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## REFERENCES

All references in this Form 10-K to the "Company", "Gridiron," "GridIron BioNutrients", "we", "us," or "our" are to Gridiron BioNutrients, Inc., a Nevada corporation and our wholly-owned subsidiary Gridiron Ventures, Inc., a Nevada corporation.

All share and per share information gives proforma effect to the 308:1 reverse stock split of our common stock effective January 8, 2021.

## FORWARDING LOOKING STATEMENTS

This report contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this report are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. They appear in a number of places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- the impact of COVID-19 on the U.S. and global economies, our employees, suppliers, customers and end consumers, which could adversely and materially impact our business, financial condition and results of operations;
- our ability to successfully implement our growth strategy;
- our ability to generate sufficient cash flow or raise capital on acceptable terms;
- the loss of key members of our senior management team;
- allegations that our products cause injury or illness or fail to comply with government regulations;
- the loss of a significant customer, suppliers, distributors, or retail partners;
- the entrance of new competitors into our industry;
- the effectiveness of our marketing and trade spending programs;
- our ability to introduce new products and improve existing products;
- our ability to manage our supply chain effectively;
- our ability to match our supply with the demand for our products;
- the impact of government regulation, scrutiny, warning and public perception;
- the effect of false marketing claims;
- our ability to develop and maintain our brand;
- the effect of potential price increases and shortages on the inputs, commodities and ingredients that we require;
- the applicability of the penny stock rules to our common stock;
- material weaknesses in our internal control over financial reporting;
- the significant dilution to our stockholders upon the conversion of our outstanding convertible preferred stock; and
- other factors discussed under the headings "Risk Factors," "Business," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this report.

While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this report. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this report in the context of these risks and uncertainties. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, you are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances, or otherwise.

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## PART I

### ITEM 1. BUSINESS

#### Corporate Overview

Established in 2014 Gridiron BioNutrients, Inc. (OTCQB: GMVP) is headquartered in Scottsdale AZ. We are in the business of marketing and selling consumer cannabidiol product line including, capsules, oil, gummies, concentrates and CBD infused water. We are currently limited to distribution of the products through our online platform, [www.GridironMVP.com](http://www.GridironMVP.com); we currently have no other distribution channels or partners and have had very limited sales of any of our products. In December 2019, we initiated expanding our business to pursue opportunities within the cannabidiol (CBD) bulk oil space by securing industrial hemp biomass processed by a third party into CBD Oil. We currently, hold 36 liters of T-Free Distillate CBD Oil that us available to sell or utilize as raw material in our products.

On November 9, 2021, the Company completed its acquisition (the "Acquisition") of all of the assets, including intellectual property assets, relating to Mioxal®, a nutraceutical complex composed of essential amino acids, natural coenzymes and minerals, held by ST BioSciences, Ltd., a company organized under the laws of England and Wales ("STB"). The Acquisition was completed pursuant to the terms of the Amended and Restated Asset Purchase Agreement dated November 5, 2021 (the "Asset Purchase Agreement") described in the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission (the "SEC") on November 8, 2021 (the "November 8th Current Report"). As consideration for the Acquisition, the Company issued 19,831,623 shares of Common Stock to STB, which at the closing of the Acquisition represented approximately 70% of the Company's outstanding shares of Common Stock on a fully-diluted basis. The closing of the Acquisition contemplated by the Asset Purchase Agreement on November 5, 2021, resulted in a change of control of the Company.

The Common Stock issued to STB was valued at approximately \$40,495,000 or \$2.05 per share.

#### Our Products

Our products are marketed under the trademark Gridiron BioNutrients™ and Gridiron MVP™ including:

- GridironMVP Alkaline Nutrition with Probiotics. - 16.9oz beverage with 20mg of CBD with humic/fulvic trace minerals, vitamins and probiotics with an alkaline base;
- GridironMVP Concentrate. - 1oz, 2oz, 4oz sizes, alkaline nutrition with probiotics in concentrate form;

- Gridiron CBD Premium Hemp Tinctures in 1oz and 2oz sizes ranging from 500mg to 750mg of CBD in natural and peppermint flavors;
- Gridiron CBD Gummies-come in various sizes from a 3pack to a 30-count bottle, offered in both a daytime and nighttime version with each gummy having 5mg of CBD;
- Gridiron CBD Salve. - 1.7oz salve containing 50mg of CBD

### **Operating Strategy and Goals**

In order for us to continue to implement our model, we have identified the following milestones that we are seeking to achieve:

Identify and Secure a Broker Network. We plan to identify and secure working relationships with a national broker network that can expand distribution of our products. We anticipate a considerable amount of travel and ongoing expenses to be incurred as part of this milestone. To date, we have not identified or secured a broker network and there can be no assurance we will be successful in doing so.

Identify and Secure Manufacturing. We intend to identify and secure one to two co-packer facilities, strategically located meet future growth objectives and to meet anticipated volumes by product type and future growth objectives.

Capital Considerations - Our business plan can be adjusted based on the available capital to the business.

- On September 7, 2021, the Company consummated the initial tranche of its \$2 million financing contemplated by that certain Series B-1 Purchase Agreement between the Company and Lincoln Park Capital Fund, LLC ("LPC") pursuant to which the Company agreed to issue and sell to LPC up to 2,694,514 shares of its newly designated Series B-1 Convertible Preferred Stock (the "Series B-1 Preferred") at a Stated Value per share price of \$0.742245 (or \$2,000,000 in the aggregate). At the initial closing, the Company issued 673,628 shares of Series B-1 Preferred to LPC and received \$500,000 in gross proceeds. On October 28, 2021, the Company consummated the second tranche of the Series B-1 Preferred Stock investment, issuing an additional 637,628 shares of its Series B-1 Preferred Stock to LPC at a price per share of \$0.742245 or \$500,000.00 in the aggregate. On November 9, 2021, the Company consummated the third and final tranche of the Series B-1 Preferred Stock investment, issuing an additional 1,347,256 shares of its Series B-1 Preferred Stock to LPC at a price per share of \$0.742245 or \$1,000,000.00 in the aggregate. The aggregate gross proceeds of \$2,000,000 will be used by the Company as working capital
- On November 24, 2021, the Company entered into, and consummated the financing contemplated by, that certain Series B-1 Purchase Agreement between the Company and L1 Capital Opportunities Master Fund Ltd. ("L1 Capital"), pursuant to which the Company issued and sold to L1 Capital 2,694,514 shares of its Series B-1 Preferred at a per share price of \$0.742245, or \$2,000,000 in the aggregate. Pursuant to the terms of the respective purchase agreements with LPC and L1 Capital, each of LPC and L1 Capital agreed, for a period of 180 days following the final closing of such transaction, not to offer, sell, contract to sell, pledge, hypothecate, grant any option, right or warrant for the sale of, purchase any option or contract to sell, sell any option or contract to purchase, or otherwise encumber, dispose of or transfer, or grant any rights with respect to, directly or indirectly, any shares of Series B-1 Preferred or any shares of the Company's common stock issuable upon conversion of the Series B-1 Preferred. In addition, each of LPC and L1 Capital, along with the holders of the Company's Series B Preferred Stock has been granted the right (until the earlier of (i) the sixteen (16) month anniversary of the Closing Date or (ii) the listing of the Common Stock on a national securities exchange) to participate in up to 10% of the Company's future equity or equity-linked financings. Furthermore, the Company granted these stockholders certain piggyback registration rights with respect to the Common Stock issuable upon conversion of the Series B-1 Preferred and Series B Preferred issued to such stockholder.

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We believe cash on hand will adequately fund our current planned operations and capital needs for the next 12 months. However, if our current plans change or are accelerated, we may seek to sell additional equity or debt securities or obtain additional credit facilities, including seeking investments from strategic investors. The sale of additional equity securities will result in dilution to our stockholders. The incurrence of indebtedness will result in increased debt service obligations and could require us to agree to operating and financial covenants that could restrict our operations or modify our plans to grow the business. Financing may not be available in amounts or on terms acceptable to us, if at all. Any failure by us to raise additional funds on terms favorable to us, or at all, will limit our ability to expand our business operations and could harm our overall business prospects.

The milestones set forth above reflect our current judgment and belief regarding the direction of our business. Actual events, expenditures and results will almost always vary, sometimes materially, from any estimates, predictions, projections or assumptions suggested herein.

### **Marketing**

Our products are currently marketed through our online website [www.gridironmvp.com](http://www.gridironmvp.com). We currently have no marketing agreement(s) with third party marketing groups.

### **Product Manufacturing and Fulfillment**

We currently rely on third party manufacturers and fulfillment. We currently have no contract or agreement with manufacturers or fulfillment centers. We plan to identify manufactures and fulfillment centers that can provide quality and efficiency in the development and delivery of our products. We currently store our inventory in a temperature-controlled facility in Utah.

In February 2020, we entered into a Stock Purchase Agreement with Notis Global, Inc. whereby we purchased 2,500,000,000 shares of common stock Company that included a Collaboration Agreement, dated January 24, 2020. Under the Collaboration Agreement, the Company and Notis Global "will collaboratively explore and consider potential business opportunities for the parties within various segments of the hemp CBD supply chain including cultivation, extraction and purification and retail products." To date, there have been no opportunities identified through this collaboration with Notis Global.

In connection with the Collaboration Agreement, the Company and Shi Farms entered into a Supply Agreement, dated January 27, 2020, pursuant to which Shi Farms agreed to sell the Company 30,000 pounds of hemp biomass at a purchase price of \$5.00 per pound. The hemp biomass must contain a minimum of 6% total Cannabidiol (CBD/and or CBDA) and all hemp biomass must have less than 3% total TCH content. The hemp biomass must contain no contaminants that are above acceptable industry standards for processing hemp biomass including but not limited to: mold and mildew, non-hemp plant material, soil, insects, rodent droppings, wet or rotting material, heavy metals, residual pesticides or herbicides, or bacteria. Either party may terminate the Supply Agreement prior to delivery of the hemp biomass. The collaboration and supply agreement(s) have produced no revenues to the company this year. We have on inventory approximately 77 liters of THC-Free CBD Distillate as a result of the collaboration agreement.

### **Competition**

Competition within the CBD industry is intense with many well-established companies within the market, such as Charlotte's Web Holdings Inc., PureKana, cbdMD, Inc., Tilray and Hexo Corp., and numerous start-up companies entering the market. Substantially all of the Company's competitors are established companies with brand name recognition and far greater resources than Gridiron. While the Company is not presently able to effectively compete with these larger, more established companies as a result of its limited resources and lack of brand name recognition by consumers, subject to the availability of sufficient funds Gridiron seeks to brand and market high quality CBD products through both exclusive and non-exclusive strategic alliances that will serve to make the Company a market leader, which will be in direct competition with the above

companies. However, the Company can provide no assurance or guarantee that it will be able to develop and/or maintain any strategic alliances now or in the future or that its products will be accepted by the market.

### **Intellectual Property**

We rely on a combination of trademark laws, trade secrets, confidentiality provisions and other contractual provisions to protect our proprietary rights, which are primarily our brand names, product designs and marks. We do not own any patents nor do we have any patents pending

The Company has filed four trademark applications with the U.S. Patent & Trademark Office (USPTO) as follows:

- 87594229 - GRIDIRON BIONUTRIENTS in international class 005 (supplements)
- 87594267 - GRIDIRON MVP in international class 005 (supplements)
- 87594303 - GRIDIRON BIONUTRIENTS in international class 032 (beverages)
- 87594316 - GRIDIRON MVP in international class 032 (beverages)

There are no assurances that these trademarks will be granted or that we will be able to effectively protect any of our intellectual property.

We are reliant on our domain name, [www.GridironMVP](http://www.GridironMVP), to market our products. However, as with phone numbers, we do not have and cannot acquire any property rights in an Internet address. The regulation of domain names in the United States and in other countries is subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, we might not be able to maintain our domain name or obtain comparable domain names, which could harm our business.

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### **Government Regulation**

The production of our hemp extract products is contingent on U.S. Food and Drug Administration, or the FDA, and state laws, regulations, and guidance. While the Agriculture Improvement Act of 2018 removed hemp from Schedule I of the Controlled Substances Act, the law did not change the FDA's authorities with respect to food or drugs. As of the date of this annual report, the FDA has not made a determination that the use of hemp extract in food is safe. The FDA has evaluated Generally Recognized as Safe (GRAS) notices for four hemp seed-derived food ingredients and determined that the agency has no questions that those ingredients are GRAS under their intended conditions of use. In the event the FDA issues appropriate regulations or guidance or determines that it has no questions that hemp extract is GRAS under intended conditions of use that would permit us to market hemp extract in water without food additive approval. We may decide to market Gridiron BioNutrients™ and GridironMVP™ in any states, districts or territories if applicable laws allow for such sale or if a supplier meets and complies with the FDA's GRAS regulations with respect to a self-certification regarding the safety and GRAS status of the use of hemp extract. We may change the composition of our planned hemp-extract-infused product as necessary to comply with federal, state or local laws, regulations or guidance.

The advertising, distribution, labeling, production, safety, sale, and transportation in the United States of our products will be subject to the Federal Food, Drug, and Cosmetic Act; the Federal Trade Commission Act; the Lanham Act; state consumer protection laws; competition laws; federal, state and local workplace health and safety laws; various federal, state and local environmental protection laws; and various other federal, state and local statutes and regulations.

Legal requirements apply in many jurisdictions in the United States requiring that deposits or certain ecotaxes or fees be charged for the sale, marketing, and use of certain non-refillable beverage containers. The precise requirements imposed by these measures vary and are constantly evolving. Other types of statutes and regulations relating to beverage container deposits, recycling, ecotaxes and/or product stewardship also apply in various jurisdictions in the United States. We anticipate that additional, similar legal requirements may be proposed or enacted in the future at the local, state and federal levels in the United States.

Any third-party bottling facility that we may choose to utilize in the future and any other such operations will be subject to

various environmental protection statutes and regulations, including those relating to the use of water resources and the discharge of wastewater. It will be our policy to comply with any and all such legal requirements. Compliance with these provisions has not had, and we do not expect such compliance to have, any material adverse effect on our capital expenditures, net income or competitive position.

The advertising, distribution, labeling, production, safety, sale, and transportation in the United States of our products will be subject to the Federal Food, Drug, and Cosmetic Act; the Federal Trade Commission Act; the Lanham Act; state consumer protection laws; competition laws; federal, state and local workplace health and safety laws; various federal, state and local environmental protection laws; and various other federal, state and local statutes and regulations.

Legal requirements apply in many jurisdictions in the United States requiring that deposits or certain ecotaxes or fees be charged for the sale, marketing, and use of certain non-refillable beverage containers. The precise requirements imposed by these measures vary and are constantly evolving. Other types of statutes and regulations relating to beverage container deposits, recycling, ecotaxes and/or product stewardship also apply in various jurisdictions in the United States. We anticipate that additional, similar legal requirements may be proposed or enacted in the future at the local, state, and federal levels in the United States.

Any third-party bottling facility that we may choose to utilize in the future and any other such operations will be subject to various environmental protection statutes and regulations, including those relating to the use of water resources and the discharge of wastewater. It will be our policy to comply with any and all such legal requirements. Compliance with these provisions has not had, and we do not expect such compliance to have, any material adverse effect on our capital expenditures, net income or competitive position.

#### **Human Capital**

Timothy S. Orr was the sole officer, director and employee of the Company during the fiscal year ended August 31, 2021. As part of the Acquisition, Mr. Orr, stepped down as the Company's Chief Executive Officer and assumed the role of the Company's Interim Chief Financial Officer, a position he agreed to maintain for a period of at least six months. Mr. Orr will remain a director of the Company.

Pursuant to the terms of the Asset Purchase Agreement, Jeffrey J. Kraws was appointed as the Company's Chief Executive Officer and a director of the Company. In addition, the Company agreed to appoint Jason Frankovich as a director of the Company subject to the Company's compliance with Rule 14f-1 of the Exchange Act. Provided we have the resources, we intend to expand our current management to retain skilled directors, officers, and employees with experience relevant to our business focus. We believe that the skill set of our current management is adequate for the current and short-term development of our brands and trademarks.

#### **Additional information**

Information on the history of our company can be found in Note 1 to the notes to our consolidated financial statements appearing later in this report. We file annual, quarterly and other reports, proxy statements and other information with the SEC. The SEC maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers such as our company that file electronically with the SEC.

#### **ITEM 1A. RISK FACTORS**

An investment in our common stock involves several significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating our company and its business before purchasing our securities. Our business, operating results and financial condition could be seriously harmed because of the occurrence of any of the following risks. You could lose all or part of your investment due to any of these risks.

##### **Risks Related to Our Business**

#### ***We have a history of losses.***

We incurred net operating losses of \$238,991 and \$216,817, respectively, for the years ended August 31, 2021 and 2020. At August 31, 2021 we had an accumulated deficit of \$2,973,628. We do not generate sufficient revenues to provide funds to pay our operating expenses, satisfy our obligations or continue to implement our business model. Unless we are able to raise sufficient working capital to continue to implement our business model, will have no ability to increase our revenues to a level which supports our operations. In that event, we will continue to report net losses in future periods and our ability to continue our operations as they are presently conducted will be in jeopardy.

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***Our auditors have raised substantial doubts as to our ability to continue as a going concern .***

Our consolidated financial statements appearing later in this report have been prepared assuming we will continue as a going concern. We have sustained recurring losses from operations and have a net capital deficiency. These factors, among others, raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

***We have a working capital deficit at August 31, 2021 and 2020. We need to raise additional capital to continue our business model.***

At August 31, 2021, we had a cash balance of approximately \$137,000 and a working capital deficit of approximately \$238,000 as compared to a cash balance of approximately \$18,000 and working capital of approximately \$2,684,000 at August 31, 2020. We used approximately \$30,000 in net cash in our operations in the year ended August 31, 2021 as compared to approximately \$410,000 of net cash used in operations in the year ended August 31, 2020. The working capital improvement from the year ended August 31, 2020 is a result of exchanging our 4 convertible notes payable, warrants and related derivative liability for Series B preferred stock (See [Note 3 – Exchange Agreement](#) in the accompanying notes to the financial statement for a further discussion). Our principal sources of liquidity are sales of equity and debt securities. We intend to raise additional capital in the next 12 months in order to continue to implement our business model. We do not have any firm commitments to raise additional working capital. As we are a small company who stock is quoted on the OTC Markets, we expect to encounter difficulty in raising working capital upon terms and conditions satisfactory to us, if at all. There is no assurance that we will be successful in obtaining funding to continue operations. In that event, we may be unable to continue as a going concern.

***Our disclosure controls and procedures and internal control over financial reporting are not effective, which may cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public.***

Our management evaluated our disclosure controls and procedures as of August 31, 2021 and concluded that as of that date, our disclosure controls and procedures were not effective. In addition, our management evaluated our internal control over financial reporting as of August 31, 2021 and concluded that there were material weaknesses in our internal control over financial reporting as of that date and that our internal control over financial reporting was not effective as of that date. A material weakness is a control deficiency, or combination of control deficiencies, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected on a timely basis.

We have not yet remediated these material weaknesses and we believe that our disclosure controls and procedures and internal control over financial reporting continue to be ineffective. Until these issues are corrected, our ability to report financial results or other information required to be disclosed on a timely and accurate basis may be adversely affected and our financial reporting may continue to be unreliable, which could result in additional misinformation being disseminated to the public. Investors relying upon this misinformation may make an uninformed investment decision.

***Our growth and profitability depend on the performance of third-party brokers and distributors and maintaining an ongoing relationship with them.***

We currently have no distribution partners, and our success will depend on obtaining sufficient distribution partners and the overall performance that these third parties provide. If we are unable to secure proper a proper distribution network or if and when we do, the third parties are do not perform or have deficient performance by such parties it may significantly undermine our operations, profitability, and result in total loss of your investment.

***We rely on third parties to produce and bottle our products, which creates additional risk.***

We do not own or operate co-packing facilities used to produce the various products in our portfolio. We rely on those third parties to ensure the quality, safety and integrity of our products. If the third parties that we engage to produce our products fail to meet our demands or are found by government agencies to be out of compliance with applicable regulatory requirements, our supplies of those products and our future profit margins could be adversely affected.

***We rely on Timothy Orr, our former executive officer and interim CEO who has extensive knowledge of our business and has provided our company with rights to our propriety blend under an oral agreement; the loss of Mr. Orr or the termination of the oral agreement may adversely affect our business.***

We are highly dependent on our interim CFO, Timothy Orr, who has extensive knowledge of our business and has provided our company with our propriety blend under an oral agreement. We do not have "key person" life insurance policies for Mr. Orr. The loss of Timothy Orr could result in delays in product development, loss of our propriety blend, any future customers

and sales and diversion of management resources, which could adversely affect our operating results. During November 2021, pursuant to the terms of the Asset Purchase Agreement discussed above, Jeffrey J. Krawns was appointed as the Company's Chief Executive Officer and a director of the Company and Jason Frankovich was appointed as a director of the Company.

#### **Risks Related to Regulations Applicable to Our Industry**

***Significant additional labeling or warning requirements or limitations on the availability of our products may inhibit sales of affected products.***

Various jurisdictions may seek to adopt significant additional product labeling or warning requirements or limitations on the availability of our products relating to the content or perceived adverse health consequences of our products. Federal laws may preempt some or all of these attempts by state or localities to impose additional labeling or warning requirements. If these types of requirements become applicable to our products under current or future environmental or health laws or regulations, they may inhibit sales of our products. Moreover, if we fail to meet compliance deadlines for any such new requirements, our products may be deemed misbranded or mislabeled and could be subject to enforcement action, or we could be exposed to private lawsuits alleging misleading labels or product promotion.

***Changes in, or failure to comply with, the laws and regulations applicable to our products or our business operations could increase our costs or reduce our net operating revenues.***

The advertising, distribution, labeling, production, safety, sale, and transportation in the United States of our currently marketed products are subject to: the Federal Food, Drug, and Cosmetic Act; the Federal Trade Commission Act; the Lanham Act; state food and drug laws; state consumer protection laws; competition laws; federal, state, and local workplace health and safety laws, such as the Occupational Safety and Health Act; various federal, state and local environmental protection laws; and various other federal, state, and local statutes and regulations. Changes to such laws and regulations could increase our costs or reduce our net operating revenues.

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In addition, failure to comply with environmental, health or safety requirements and other applicable laws or regulations could result in the assessment of damages, the imposition of penalties, suspension of production, changes to equipment or processes, or a cessation of operations at our or our bottlers' facilities, as well as damage to our image and reputation, all of which could harm our profitability.

***If we fail to comply with personal data protection laws, we could be subject to adverse publicity, government enforcement actions and/or private litigation, which could negatively affect our business and operating results.***

In the ordinary course of our business, we may receive, process, transmit and store information relating to identifiable individuals ("personal data"), primarily employees and former employees. As a result, we are subject to various U.S. federal and state and foreign laws and regulations relating to personal data. These laws have been subject to frequent changes, and new legislation in this area may be enacted in other jurisdictions at any time. There is no assurance that our security controls over personal data, the training of employees and vendors on data privacy and data security, and the policies, procedures and practices we implemented or may implement in the future will prevent the improper disclosure of personal data. Improper disclosure of personal data in violation of applicable personal data protection laws could harm our reputation, cause loss of consumer confidence, subject us to government enforcement actions (including fines), or result in private litigation against us, which could result in loss of revenue, increased costs, liability for monetary damages, fines and/or criminal prosecution, all of which could negatively affect our business and operating results.

***If we produce, market and/or sell products infused with hemp, as defined under the Agriculture Improvement Act of 2018, we will be subject to a myriad of different laws and regulations governing the use of hemp in food and beverages and if we are unable to comply with such laws in a cost-effective manner, our business could be adversely affected.***

The production of a food or beverage infused with hemp, as "hemp" is defined in the Agriculture Improvement Act of 2018 (also known as the 2018 Farm Bill, Public Law 115-334), is contingent on U.S. Food and Drug Administration, or the FDA, and state laws, regulations, and guidance. While the Agriculture Improvement Act of 2018 removed hemp from Schedule I of the Controlled Substances Act, the law did not change the FDA's authorities with respect to food or drugs. As of the date

of this annual report, the FDA has not made a determination that the use of hemp in food is safe. The FDA has evaluated Generally Recognized as Safe or GRAS notices for three hemp seed-derived food ingredients and determined that the agency has no questions that those ingredients are GRAS under their intended conditions of use. We intend to comply in full with all federal, state, and local laws, rules and regulations as we develop our hemp product lines. We will not pursue the production or sale of hemp-infused products until legally permitted.

Laws and regulations governing the use of hemp in food and beverages in the United States are broad in scope; subject to evolving interpretations; and subject to enforcement by a myriad of regulatory agencies and law enforcement entities. Under the Agriculture Improvement Act of 2018, a state or Indian tribe that desires to have primary regulatory authority over the production of hemp in the state or territory of the Indian tribe must submit a plan to monitor and regulate hemp production to the Secretary of the United States Department of Agriculture or USDA. The Secretary must then approve the state or tribal plan after determining if the plan complies with the requirements set forth in the Agriculture Improvement Act of 2018. The Secretary may also audit the state or Indian tribe's compliance with the federally-approved plan. If the Secretary does not approve the state or Indian tribe's plan, then the production of hemp in that state or territory of that Indian tribe will be subject to a plan established by USDA. USDA has not yet established such a plan. We anticipate that many states will seek to have primary regulatory authority over the production of hemp. States that seek such authority may create new laws and regulations that permit the use of hemp in food and beverages.

Federal and state laws and regulations on hemp may address production, monitoring, manufacturing, distribution, and laboratory testing to ensure that the hemp has a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis. Federal laws and regulations may also address the transportation or shipment of hemp or hemp products, as the Agriculture Improvement Act of 2018 prohibits states and Indian tribes from prohibiting the transportation or shipment of hemp or hemp products produced in accordance with that law through the state or territory of the Indian tribe, as applicable. Because we rely on a nationwide broker-distributor-retailer network whereby brokers represent our products to distributors and retailers in turn sell our product to consumers in the fifty states and the District of Columbia, we may be subject to many different state-based regulatory regimens for hemp, all of which could require us to incur substantial costs associated with compliance requirements. In addition, violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our operations, as well as adverse publicity and potential harm to our reputation. We and our suppliers and vendors must take significant enterprise risk management steps to ensure that there is no commingling of hemp and marihuana, as "marihuana" is defined in the federal Controlled Substances Act. Marihuana remains subject to the Controlled Substances Act and related regulations.

Furthermore, if we decide to produce, market and sell products infused with hemp outside of the United States, we will be subject to applicable laws and regulations in those non-U.S. jurisdictions, which would require us to expend significant costs associated with compliance.

In addition, it is possible that additional regulations may be enacted in the future in the United States and globally that will be directly applicable to our current and proposed product offerings infused with hemp. We cannot predict the nature of any future laws, regulations, interpretations, or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

***FDA's current position is that the sale of food and beverages that contain hemp-derived cannabidiol or CBD is prohibited under the Federal Food, Drug, and Cosmetic Act; therefore, if we decide to produce, market and/or sell beverages infused with hemp-derived cannabidiol, we may be subject to federal enforcement actions which could adversely affect our business and harm our reputation and brand***

The FDA has jurisdiction over drugs and foods that contain CBD, including CBD derived from hemp. Under the Federal Food, Drug and Cosmetic Act or the FDCA, it is a prohibited act to introduce or deliver for introduction into interstate commerce any food (which the FDCA defines to include beverages) that is adulterated. The FDCA therefore prohibits the introduction or delivery for introduction of a food that contains CBD, because the FDCA deems a food to be adulterated if it bears or contains any food additive that is unsafe and CBD is presently an unsafe food additive under the FDCA and FDA regulations. The FDCA also states that it is a prohibited act to introduce or deliver for introduction into interstate commerce any food to which an FDA-approved drug has been added, unless certain exceptions are met. The FDA has approved a drug in which CBD is an active ingredient, and the agency has stated that based on available evidence, none of the exceptions apply to CBD. One of the exceptions addresses whether the drug was marketed in food before the FDA approved the drug and before the institution of any substantial clinical investigations involving the drug. The FDA has stated that interested parties may present the agency with evidence that has bearing on the issue of whether CBD was marketed in food before the FDA approved the CBD drug in 2018 or before the institution of substantial clinical investigations involving the CBD drug. FDA's current position is that this provision of the FDCA also prohibits the introduction or delivery for introduction into interstate commerce of a food to which CBD has been added.

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Congress may decide to amend the FDCA to permit the use of hemp-derived CBD in food. The FDA may also decide to issue regulations or guidance that address the use of hemp-derived CBD in food or use its enforcement discretion with respect to hemp-derived CBD products. On May 31, 2019, the FDA held a public hearing, as well as providing a broader opportunity for written public comment, for stakeholders to share their experiences and challenges with CBD products, including information and views related to product safety. Based on this hearing, any legislative or regulatory action could take years to implement or finalize and may not include provisions that would enable our company to produce, market and/or sell hemp products or beverages that contain hemp-derived CBD. We risk becoming subject to adverse publicity and costly federal enforcement actions should we decide to produce, market and/or sell products infused with hemp-derived CBD in the United States. We may be required to expend significant resources in defending our company from such actions which could adversely affect our business and results of operations and divert the attention of management. We may also incur the risk of sustaining considerable damage to our reputation and brand should we become party to federal enforcement actions resulting from the production, marketing or sale of hemp-derived CBD infused products.

Accordingly, if Congress amended federal laws or FDA issued regulations or guidance permitting the use of hemp-derived CBD in food or announcing the agency's decision to use its enforcement discretion with respect to hemp-derived CBD products, we and our suppliers and vendors would be required to implement significant enterprise risk management measures to ensure that there is no commingling of CBD derived from marihuana, as "marihuana" is defined in the federal Controlled Substances Act, with any future commercial supply of hemp-derived CBD that is used to produce our products.

### ***The FDA could force the removal of our products from the U.S. market.***

The FDA has broad authority over the regulation of our products. The FDA could, among other things, force us to remove our products from the U.S. market, levy fines or change their regulations on advertising. Any adverse action by the FDA could have a material adverse impact on our business.

### ***Government reviews, inquiries, investigations, and actions could harm our business or reputation.***

As our product portfolio evolves, the regulatory environment with regard to our business is also evolving. Government officials often exercise broad discretion in deciding how to interpret and apply applicable laws or regulations. We may in the future receive formal and informal inquiries from various governmental regulatory authorities, as well as self-regulatory organizations or consumer protection watchdog groups, about our business and compliance with local laws, regulations, or standards. Any determination that our products, operations or activities, or the activities of our employees, contractors or agents, are not in compliance with existing laws, regulations or standards, could adversely affect our business in a number of ways. Even if such an inquiry does not result in the imposition of fines, interruptions to our business, loss of suppliers or other third-party relationships, terminations of necessary licenses and permits, or similar direct results, the existence of the inquiry alone could potentially create negative publicity that could harm our business and/or reputation.

## **Risks Related to the Ownership of our Securities**

### ***Our common stock is deemed to be "penny stock," which may make it more difficult for investors to sell their shares due to suitability requirements.***

Our common stock is deemed to be "penny stock" as that term is defined under the Securities Exchange Act of 1934, as amended. Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges. Our common stock is covered by an SEC rule that imposes additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors, which are generally institutions with assets in excess of \$5,000,000, or individuals with net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. Broker/dealers dealing in penny stocks are required to provide potential investors with a document disclosing the risks of penny stocks. Moreover, broker/dealers are required to determine whether an investment in a penny stock is a suitable investment for a prospective investor. These requirements may reduce the potential market for our common stock by reducing the number of potential investors. This may make it more difficult for investors in our common stock to sell shares to third parties or to otherwise dispose of them and could cause our stock price to decline.

### ***If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results. As a result, current and potential shareholders could lose confidence in our financial reporting, which would harm our business and the trading price of our stock.***

Our management has previously determined that we did not maintain effective internal controls over financial reporting. For a detailed description of these material weaknesses and our remediation efforts and plans, see "Part II — Item 9A — Controls and Procedures." If the result of our remediation of the identified material weaknesses is not successful, or if

additional material weaknesses are identified in our internal control over financial reporting, our management will be unable to report favorably as to the effectiveness of our internal control over financial reporting and/or our disclosure controls and procedures, and we could be required to further implement expensive and time-consuming remedial measures and potentially lose investor confidence in the accuracy and completeness of our financial reports which could have an adverse effect on our stock price and potentially subject us to litigation.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

**ITEM 2. PROPERTIES**

Our current business address is 6991 East Camelback Road Suite D-300 Scottsdale, AZ 85251. We rent these facilities on a month-to-month basis for a monthly rental of approximately \$200.

**ITEM 3. LEGAL PROCEEDINGS**

We know of no material pending legal proceedings to which our company is a party. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

**ITEM 4. MINE SAFETY DISCLOSURES.**

None.

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## PART II

### **ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.**

#### **Market Information**

Our common stock is quoted on the OTCQB Tier of the OTC Markets Group, Inc. under the stock symbol "GMVP." On December 10, 2020, the last reported sale price of our common stock on the OTCQB was \$0.0094 per share, which such price did not give effect to the pending reverse stock split of our common stock described below. As of December 10, 2021, there were 102 record holders of our common stock.

#### **Reverse Stock Split**

On December 22, 2020, the Company filed Articles of Amendment to its Articles of Incorporation, as amended, which were effective on January 8, 2021 (the "Effective Date"), which effected a three hundred eight for one (308:1) reverse stock split of its outstanding common stock. Previously, on December 4, 2020 the Company filed a definitive Information Statement on Schedule 14C with the SEC notifying its stockholders that on December 2, 2020, the holders of a majority of its outstanding shares of common stock and the shares Series A Convertible Preferred Stock who were entitled to consent to the action, voting as a single class, executed a written consent in lieu of a special meeting of stockholders approving a reverse stock split of the Company's outstanding common stock of not less than 300:1 and not more than 310:1, with the Company's board of directors having the discretion as to when such reverse stock split would be effected (on or prior to December 2, 2021) and the exact ratio of the reverse stock split to be set at a whole number within the above range as determined by the board of directors in its sole discretion. On December 17, 2020, in accordance with such authority, the board of directors

fixed the exact ratio of the reverse stock split.

#### **Dividends**

The payment of dividends, if any, in the future, rests within the sole discretion of our board of directors. The payment of dividends will depend upon our earnings, our capital requirements and our financial condition, as well as other relevant factors. We have not declared any cash dividends since our inception and have no present intention of paying any cash dividends on our common stock in the foreseeable future.

#### **Transfer Agent**

Our transfer agent is Empire Stock Transfer, Inc. ("Empire Stock Transfer"), whose address 1859 Whitney Mesa Dr., Henderson, Nevada 89014. Empire Stock Transfer's telephone number is (702) 818-5898.

#### **Recent Sales of Unregistered Securities**

None.

#### **Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

On, January 28, 2020, the Company entered into an agreement to repurchase 77,872,500 restricted shares of the Company's common stock from an investor. The Company paid \$80,000 or \$.00103 per share and immediately retired the shares.

#### **ITEM 6. SELECTED FINANCIAL DATA**

Not Applicable

#### **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this annual report on Form 10-K.

##### **Overview**

Our products are marketed and available through our website [www.gridironMVP.com](http://www.gridironMVP.com). We intend to engage a distribution partner that has a sufficient broker network and co-packer/manufacture in order distribute our products through several channels. We believe there will be an increasing demand for enhanced and functional products in 2021 as consumers look for healthy alternatives to enhance their lifestyle. We expect our brand to capitalize on this and potential consumer demand. We plan to continue to look for opportunities with industrial hemp growers, processors that we can engage in a tolling and/or collaboration agreement. We believe these types of relationships could assist in stabilizing our raw material supply chain as well as give us positive exposure within the marketplace.

Our current business model is in an industry which is highly competitive and most of our competitors are better capitalized than we are and have established markets with greater brand recognition. Our operations do not generate sufficient revenues to pay our operating expenses, and, as discussed below, we do not have ready access to the capital necessary to compete effectively in our segment. While we continue to explore opportunities to expand our current business model, our management has also begun exploring possible opportunities for the Company involving mergers, acquisitions or other business combination transactions in an effort to diversify our business. We are not currently a party to any agreement or understandings with any third parties, and there are no assurances even if our management locates an opportunity which it believes will be in the best interests of our stockholders what we will ever consummate such a transaction. Accordingly, investors should not place undue reliance on these efforts.

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### **Cash Flows**

Our financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. We have not yet established an ongoing source of revenues sufficient to cover our operating costs. Our ability to continue as a going concern is dependent on our company obtaining additional capital to fund operating losses until we become profitable. If we are unable to obtain additional capital, we could be forced to significantly curtail or cease operations.

We have only realized nominal revenues from our business. In the next 12 months, we plan to identify business to whom we can license and/or distribute our brand and product(s) as well as seek additional opportunities to continue as a going concern.

### **COVID-19**

In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally including across North America and the United States. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a “pandemic,” or a worldwide spread of a new disease, on March 11, 2020. Specifically, we caution that our business could be materially and adversely affected by the risks, or the public perception of the risks, related to the outbreak of COVID-19. To date, COVID has directly impacted the ability we have to participate in trade show events and other in-person marketing. The risk of a pandemic, or public perception of the risk, could cause customers to avoid public places, including retail properties, and could cause temporary or long-term disruptions in our supply chains and/or delays in the delivery of our inventory to customers. Further, such risks could also adversely affect retail customers’ financial condition, resulting in reduced spending on premium products.

### **Critical Accounting Policies**

Please refer to Note 2 - Summary of Significant Accounting Policies in the accompanying Notes to the Consolidated Financial Statements.

### **Results of Operations**

**Overview.** We had revenues of \$3,080 and \$1,181 for the years ended August 31, 2021 and 2020, respectively. We incurred a net income (loss) of \$1,039,932 and (\$2,580,068) for the years ended August 31, 2021 and 2020, respectively. The decrease in net loss of \$3,620,000 is attributable to the factors discussed below.

**Revenues.** We had revenues from operations of \$3,080 and \$1,181 for the years ended August 31, 2021 and 2020, respectively. Our revenues for the years ended August 31, 2021 and 2020 consisted primarily of our retail line of health water infused with probiotics and minerals and the sale of one liter of T-free distillate. The increase of \$1,899 of revenues resulted from the Company selling one liter of T-free distillate during the three months ended November 30, 2020. The extent to which, and the amount of revenues which may be generated from our future business operations and activities is unknown.

**Gross Margin.** Once cost of revenue and other expenses to generate revenue are considered, we had gross margins of \$1,659 and (\$1,783) from our operations for the years ended August 31, 2021 and 2020, respectively. The increase of \$3,442 was a result of the sale of one liter of T-free distillate during the three months ended November 30, 2020.

**Expenses.** Our operating expenses were \$240,650 and \$215,094 for the years ended August 31, 2021 and 2020, respectively. The increase of \$25,556 was primarily attributable to an approximate \$54,000 increase professional fees from higher audit fees and legal fees associated with reverse stock split and a potential acquisition and an approximate \$10,000 increase in consulting fees due to an agreed upon fee increase for our CEO, offset by an approximate \$36,000 decrease in General and Administrative primarily from a \$23,000 decrease in insurance cost and an approximate \$2,000 decrease in advertising expense.

**Other (Income) Expense.** Our total other (income) expense was (\$1,278,923) and \$2,263,191 for the years ended August 31, 2021 and 2020, respectively. The \$3,642,114 decrease in other expenses was attributable to a \$1,908,267 decrease in expenses related to our convertible notes payable and preferred stock warrants conversion into Series B preferred stock and

interest accretion, a \$861,680 decrease in debt/equity issuance costs on no new convertible notes during the years ended August 31, 2021 compared to three new convertible notes payables during the year ended August 31, 2020, a \$568,173 decrease in impairment expense from our inventory write-off, a notes receivable and fixed assets during the year ended August 31, 2020, a \$336,183 decrease in net interest expense on our notes payable, notes receivable and four convertible notes payable, offset by a \$32,189 decrease in other income. As discussed in *Note 3 – Exchange Agreement* in the accompanying Notes to the Consolidated Financial Statements, the Company exchanged the preferred stock warrants and convertible notes payable for Series B preferred stock. As a result of the agreement, the derivative liability was reduced to \$-0- in other (income) expense.

#### **Liquidity and Capital Resources**

For the year ended August 31, 2021, we used net cash of \$30,405 for operating activities, primarily attributable to our Participation Agreement with Libertas Funding, LLC. For the year ended August 31, 2021, we were provided \$150,000 from financing activities for a short-term promissory note from an investor. We will require additional working capital to continue as a going concern.

#### **Assets**

We had total assets of \$181,886 as of August 31, 2021, which consisted of \$137,476 cash, inventory of \$17,000, prepaid expenses of \$14,000, equity investment (net of discount) of \$11,132, equipment of \$598 (net of accumulated depreciation), and trademarks of \$1,680. The cash balance includes a short-term promissory note for \$150,000 which funded on August 30, 2021.

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**Liabilities**

We had total liabilities of \$406,725 as of August 31, 2021 consisting of accounts payable and accrued expenses of \$43,930, related party payable of \$64,600 due our CEO, note payable, current portion of \$160,000, dividends payable of \$138,195 for our Series B Convertible Preferred stock issued in April 2021.

As discussed on [Note 3 – Exchange Agreement](#) in the accompanying Notes to the Consolidated Financial Statements, in April 2021 we entered into an Exchange Agreement with Calvary Fund I LP (“Calvary Fund”) pursuant to which we agreed to issue Calvary Fund 2,694,514 shares of our newly designated Series B Convertible Preferred Stock in exchange for (i) 8,480,000 shares of our Series A Convertible Preferred Stock, (ii) outstanding common stock purchase warrants (the “Warrants”), and (iii) all principal and accrued interest due under outstanding convertible promissory notes. As a result of the agreement, the convertible notes payable, convertible notes payable accrued interest, Series A Preferred stock dividends and derivative liability was reduced to \$-0- in the accompanying consolidated balance sheets for an aggregate of \$2,588,869.

**Cash Requirements**

At August 31, 2021, we had a cash balance of \$137,476. Such cash amount of \$137,476 is not sufficient to continue our 12-month plan of operation. We will need to raise capital to realize our 12-month plan of operation and fund our ongoing operational expenses. Additional funding will likely come from equity financing from the sale of our common stock. If we are successful in completing equity financing, existing shareholders will experience dilution of their interest in our Company. We do not have any financing arranged and we cannot provide investors with any assurance that we will be able to raise

sufficient funding from the sale of our common stock to fund our 12-month plan of operation and ongoing operational expenses. In the absence of such financing, our business will likely fail. There are no assurances that we will be able to achieve further sales of our common stock or any other form of additional financing.

**Going Concern**

To date the Company only generated nominal revenues and consequently has incurred recurring losses from operations. We do not have sufficient funds to support our daily operations for the next twelve (12) months. The ability of the Company to continue as a going concern is dependent on raising capital to fund our business model and ultimately to attain profitable operations. Accordingly, these factors raise substantial doubt as to the Company's ability to continue as a going concern.

The Company is attempting to commence operations and generate sufficient revenue; however, the Company's cash position may not be sufficient to support its daily operations. While the Company believes in the viability of its strategy to commence operations and generate sufficient revenue and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon its ability to further implement its business model and generate sufficient revenue and its ability to raise additional funds by way of a public or private offering.

**OFF-BALANCE SHEET ARRANGEMENTS**

Not Applicable.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not Applicable

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**ITEM 8. FINANCIAL STATEMENTS**

**GRIDIRON BIONUTRIENTS, INC.  
Financial Statements  
August 31, 2021**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of Gridiron BioNutrients, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Gridiron BioNutrients, Inc. ("the Company") as of August 31, 2021 and 2020, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended August 31, 2021, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the two-year period ended August 31, 2021, 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 4 to the financial statements, the Company has an accumulated deficit, net losses, and negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Basis for Opinion**

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

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

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

**Critical Audit Matters**

Critical audit matters 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. We determined that there were no critical audit matters.

A handwritten signature in black ink that reads "Fruci &amp; Associates II, PLLC".

Fruci & Associates II, PLLC  
We have served as the Company's auditor since 2017.

Spokane, Washington  
December 10, 2021

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**GRIDIRON BIONUTRIENTS, INC.**  
CONSOLIDATED BALANCE SHEETS

|  | <u>August 31,</u><br><u>2021</u> | <u>August 31,</u><br><u>2020</u> |
|--|----------------------------------|----------------------------------|
| <b>ASSETS</b>  |                                  |                                  |
| Current assets:  |                                  |                                  |
| Cash   | \$ 137,476                       | \$ 17,881                        |
| Inventory  | 17,000                           | 37,450                           |
| Prepaid expenses   | 14,000                           | 13,945                           |
| Notes receivable, net of discount  | -                                | 132,852                          |
| Total current assets   | <u>168,476</u>                   | <u>202,128</u>                   |
| Other assets   |                                  |                                  |
| Equity investment, net of discount   | 11,132                           | 2,783                            |
| Equipment, net of accumulated depreciation of \$4,558 and \$3,144, respectively  | 598                              | 2,012                            |
| Trademarks   | 1,680                            | 1,680                            |
| Total other assets   | <u>13,410</u>                    | <u>6,475</u>                     |
| <b>Total Assets</b>  | <b><u>\$ 181,886</u></b>         | <b><u>\$ 208,603</u></b>         |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                                  |                                  |
| Current liabilities:   |                                  |                                  |
| Accounts payable and accrued expenses  | \$ 43,930                        | \$ 443,496                       |
| Related party payable  | 64,600                           | 73,469                           |
| Derivative liability   | -                                | 1,454,480                        |
| Note payable, current portion  | 160,000                          | 10,000                           |
| Note payable, convertible net of discount  | -                                | 831,170                          |
| Dividends payable  | 138,195                          | 73,995                           |
| Total current liabilities  | <u>406,725</u>                   | <u>2,886,610</u>                 |
| Commitments and contingencies  | -                                | -                                |
| Stockholders' equity (deficiency):   |                                  |                                  |
| Preferred stock Series A, \$0.001 par value; 22,305,486 shares authorized;<br>-0- and 8,480,000 issued and outstanding as of<br>August 31, 2021 and 2020, respectively | -                                | 8,480                            |
| Preferred stock Series B, \$0.001 par value; 2,694,514 shares authorized;<br>2,694,514 and -0- issued and outstanding as of<br>August 31, 2021 and 2020, respectively  | 2,695                            | -                                |
| Common stock, \$0.001 par value; 200,000,000 shares authorized;<br>188,616 and 187,194 shares issued and outstanding as of<br>August 31, 2021 and 2020, respectively   | 188                              | 187                              |
| Additional paid in capital   | 2,745,906                        | 1,157,253                        |
| Accumulated deficit  | (2,973,628)                      | (3,843,927)                      |
| Total stockholders' equity (deficiency)  | <u>(224,839)</u>                 | <u>(2,678,007)</u>               |
| <b>Total Liabilities and Stockholders' equity</b>  | <b><u>\$ 181,886</u></b>         | <b><u>\$ 208,603</u></b>         |

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

The common stock issued and outstanding for the financial statements presented have been retroactively adjusted to reflect the 1-for-308 reverse stock split, which was effective in January 2021.

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**GRIDIRON BIONUTRIENTS, INC.**  
CONSOLIDATED STATEMENTS OF OPERATIONS

|   | <u>For the Years Ended</u>       |                                  |
|---|----------------------------------|----------------------------------|
|   | <u>August 31,</u><br><u>2021</u> | <u>August 31,</u><br><u>2020</u> |
| Revenue   | \$ 3,080                         | \$ 1,181                         |
| Cost of Revenue   | <u>1,421</u>                     | <u>2,964</u>                     |
| Gross margin  | 1,659                            | (1,783)                          |
| Operating expenses:   |                                  |                                  |
| Advertising   | 677                              | 2,664                            |
| Consulting fees   | 73,375                           | 63,375                           |
| General and administrative  | 49,184                           | 85,637                           |
| Professional fees   | <u>117,414</u>                   | <u>63,418</u>                    |
| Total operating expenses  | 240,650                          | 215,094                          |
| Net operating income (loss)   | (238,991)                        | (216,877)                        |
| Other (income) expense:   |                                  |                                  |
| Interest expense  | 105,424                          | 427,286                          |
| Interest income   | (55,567)                         | (41,246)                         |
| Impairment expense  | 19,450                           | 587,623                          |
| Expenses related to convertible notes payable and preferred warrants: |                                  |                                  |
| (Gain) loss on change in fair value of derivative liability           | (1,454,480)                      | (301,581)                        |
| Interest accretion  | 114,599                          | 869,967                          |
| Debt/Equity issuance costs on convertible notes payable               | -                                | 861,680                          |
| Other (income) expense  | <u>(8,349)</u>                   | <u>(40,538)</u>                  |
| Total Other (income) expense  | (1,278,923)                      | 2,363,191                        |
| Net income (loss)   | <u>\$ 1,039,932</u>              | <u>\$ (2,580,068)</u>            |
| Basic income (loss) per share   | <u>\$ 5.53</u>                   | <u>\$ (8.59)</u>                 |
| Weighted average number of common shares outstanding - basic          | 188,094                          | 300,323                          |

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

The common stock issued and outstanding for the financial statements presented have been retroactively adjusted to reflect the 1-for-308 reverse stock split, which was effective in January 2021.

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**GRIDIRON BIONUTRIENTS, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**

|  | Preferred Stock - Series A |          | Preferred Stock - Series B |        | Common Stock |        | Additional Paid-In Capital | Common Stock to be Issued | Accumulated Deficit | Total Stockholders' Equity (Deficit) |
|--|----------------------------|----------|----------------------------|--------|--------------|--------|----------------------------|---------------------------|---------------------|--------------------------------------|
|  | Shares                     | Amount   | Shares                     | Amount | Shares       | Amount |                            |                           |                     |                                      |
| Balance at August 31, 2019                         | 8,480,000                  | \$ 8,480 | -                          | \$ -   | 439,285      | \$ 439 | \$1,077,001                | \$ 160,000                | \$ (1,213,559)      | \$ 32,361                            |
| Issuance of common stock for stock subscription    | -                          | -        | -                          | -      | 742          | 1      | 159,999                    | (160,000)                 | -                   | -                                    |
| Repurchase and retirement of common stock          | -                          | -        | -                          | -      | (252,833)    | (253)  | (79,747)                   | -                         | -                   | (80,000)                             |
| Dividends on preferred stock accrued               | -                          | -        | -                          | -      | -            | -      | -                          | -                         | (50,300)            | (50,300)                             |
| Net loss, period ended August 31, 2020             | -                          | -        | -                          | -      | -            | -      | -                          | -                         | (2,580,068)         | (2,580,068)                          |
| Balance at August 31, 2020                         | 8,480,000                  | \$ 8,480 | -                          | \$ -   | 187,194      | \$ 187 | \$1,157,253                | \$ -                      | \$ (3,843,927)      | \$ (2,678,007)                       |
| Exchange agreement - conversion of preferred stock | (8,480,000)                | (8,480)  | 2,694,514                  | 2,695  | -            | -      | 1,588,654                  | -                         | -                   | 1,582,869                            |
| Dividends on preferred stock accrued               | -                          | -        | -                          | -      | -            | -      | -                          | -                         | (169,633)           | (169,633)                            |
| Adjustment for reverse split                       | -                          | -        | -                          | -      | 1,422        | 1      | (1)                        | -                         | -                   | -                                    |
| Net income, period ended August 31, 2021           | -                          | -        | -                          | -      | -            | -      | -                          | -                         | 1,039,932           | 1,039,932                            |

|                                  |                   |      |                   |   |                  |    |              |                |    |            |                    |    |                   |      |                    |    |                  |
|----------------------------------|-------------------|------|-------------------|---|------------------|----|--------------|----------------|----|------------|--------------------|----|-------------------|------|--------------------|----|------------------|
| Balance at<br>August 31,<br>2021 | <u>          </u> | - \$ | <u>          </u> | - | <u>2,694,514</u> | \$ | <u>2,695</u> | <u>188,616</u> | \$ | <u>188</u> | <u>\$2,745,906</u> | \$ | <u>          </u> | - \$ | <u>(2,973,628)</u> | \$ | <u>(224,839)</u> |
|----------------------------------|-------------------|------|-------------------|---|------------------|----|--------------|----------------|----|------------|--------------------|----|-------------------|------|--------------------|----|------------------|

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

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**GRIDIRON BIONUTRIENTS, INC.**  
Consolidated Statements of Cash Flow

**For the Years Ended**

|   | <u>August 31,</u><br><u>2021</u> | <u>August 31,</u><br><u>2020</u> |
|---|----------------------------------|----------------------------------|
| Cash flows from operating activities:                                       |                                  |                                  |
| Net income (loss)   | \$ 1,039,932                     | \$(2,580,068)                    |
| Adjustments to reconcile net loss to net cash used in operating activities: |                                  |                                  |
| Depreciation  | 1,414                            | 2,613                            |
| Debt/stock based issue costs  | -                                | (301,581)                        |
| (Gain) Loss on change in fair value of derivative liability                 | (1,454,480)                      | 1,731,647                        |
| Interest accretion  | 114,599                          | -                                |
| Impairment expense  | 19,450                           | 76,960                           |
| Prior year correction to note payable, current portion (See Note 6)         | -                                | (39,500)                         |
| Realized income on investment   | (8,349)                          | (2,783)                          |
| Changes in operating assets and liabilities:                                |                                  |                                  |
| Inventory   | 1,000                            | 166,113                          |
| Prepaid expenses  | (55)                             | 11,666                           |
| Notes receivable  | 132,852                          | 67,148                           |
| Accounts payable and accrued expenses                                       | 132,101                          | 422,517                          |
| Related party payable   | (8,869)                          | 35,020                           |
| Net cash provided by (used in) operating activities                         | <u>(30,405)</u>                  | <u>(410,248)</u>                 |
| Cash flows from investing activities:                                       |                                  |                                  |
| Repurchase and retirement of common stock                                   | -                                | (80,000)                         |
| Notes receivable investment   | -                                | (300,000)                        |
| Net cash used in investing activities                                       | <u>-</u>                         | <u>(380,000)</u>                 |
| Cash flows from financing activities:                                       |                                  |                                  |
| Proceeds from convertible notes payable                                     | -                                | 828,000                          |
| Proceeds from notes payable   | 150,000                          | -                                |
| Repayment of convertible notes payable                                      | -                                | (38,846)                         |
| Net cash provided by financing activities                                   | <u>150,000</u>                   | <u>789,154</u>                   |
| Net increase (decrease) in cash   | 119,595                          | (1,094)                          |
| Cash - beginning of the year  | 17,881                           | 18,975                           |
| Cash - end of the year  | <u>\$ 137,476</u>                | <u>\$ 17,881</u>                 |
| Supplemental disclosures:   |                                  |                                  |
| Interest paid   | <u>\$ -</u>                      | <u>\$ -</u>                      |
| Income taxes  | <u>\$ -</u>                      | <u>\$ -</u>                      |
| Non-cash transactions:  |                                  |                                  |
| Preferred stock dividends accrued   | <u>\$ 169,633</u>                | <u>\$ 50,300</u>                 |
| Discount on convertible note payable  | <u>\$ -</u>                      | <u>\$ 129,615</u>                |
| Issuance of common stock from shares to be issued                           | <u>\$ -</u>                      | <u>\$ 160,000</u>                |

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

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**GRIDIRON BIONUTRIENTS, INC.**  
**Notes to Consolidated Financial Statements**  
**August 31, 2021**

**NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS**

Gridiron BioNutrients, Inc. (the “Company” or “Gridiron”) was formed under the laws of the state of Nevada on July 20, 2017 to develop and distribute a retail line of health water infused with probiotics and minerals.

The Company is currently developing products which contain a proprietary blend of humic and fulvic acid, trace minerals, probiotics, electrolytes, cannabidiol (CBD) within an alkaline of pH10. Gridiron has secured the rights to this proprietary formulation through its CEO, Timothy Orr (Verbal Agreement). Timothy Orr provided the formulation in connection with his receipt of 105,519 shares of common stock from the Company on October 9, 2017.

Gridiron has the exclusive right(s) to develop CBD products with this formulation. However, Gridiron is limited to developing only CBD products with this formulation and as such does not have any rights to develop products that do not contain CBD with this formulation.

The Company has elected an August 31<sup>st</sup> year end.

On December 22, 2020, the Company filed Articles of Amendment to its Articles of Incorporation, as amended, which were effective on January 8, 2021 (the “Effective Date”), which effected a three hundred eight for one (308:1) reverse stock split of its outstanding common stock. Previously, on December 4, 2020 the Company filed a definitive Information Statement on Schedule 14C with the SEC notifying its stockholders that on December 2, 2020, the holders of a majority of its outstanding shares of common stock and the shares Series A Convertible Preferred Stock who were entitled to consent to the action, voting as a single class, executed a written consent in lieu of a special meeting of stockholders approving a reverse stock split of the Company’s outstanding common stock of not less than 300:1 and not more than 310:1, with the Company’s board of directors having the discretion as to when such reverse stock split would be effected (on or prior to December 2, 2021) and the exact ratio of the reverse stock split to be set at a whole number within the above range as determined by the board of directors in its sole discretion. On December 17, 2020, in accordance with such authority, the board of directors fixed the exact ratio of the reverse stock split.

Acquisition and Reverse Merger

On October 10, 2017, the Company completed a reverse merger with My Cloudz, Inc. (“My Cloudz”) pursuant to which the Company merged into My Cloudz on October 10, 2017. Under the terms of the merger, the Company shareholders received 227,273 common shares of My Cloudz common stock such that the Company shareholders received approximately 57% of the total common shares issued and outstanding following the merger. Due to the nominal assets and limited operations of My Cloudz prior to the merger, the transaction was accorded reverse recapitalization accounting treatment under the provision of Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 805 whereby the Company became the accounting acquirer (legal acquiree) and My Cloudz was treated as the accounting acquiree (legal acquirer). The historical financial records of the Company are those of the accounting acquirer (Gridiron) adjusted to reflect the legal capital of the accounting acquiree (My Cloudz). As the transaction was treated as a recapitalization, no intangibles, including goodwill, were recognized. Concurrent with the effective date of the reverse recapitalization transaction, the Company adopted the fiscal year end of the accounting acquirer of August 31.

At the date of acquisition, My Cloudz had \$3,972 of cash, \$1,105 of accounts payable and a related party payable of \$75,907. Book values for all assets acquired and liabilities assumed equaled fair values as of the date of acquisition.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

This summary of accounting policies for Gridiron is presented to assist in understanding the Company's financial statements. The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America ("GAAP" accounting) and have been consistently applied in the preparation of the financial statements.

### Reclassifications

Certain prior year amounts have been reclassified for comparative purposes to conform to the current-year financial statement presentation. These reclassifications had no effect on previously reported results.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates. Estimates are used when accounting for fair value calculations related to embedded conversion features of outstanding convertible notes payable. As discussed on Note 3 – Exchange Agreement, the Company exchanged the convertible notes payable for Series B Preferred Stock. As a result of the agreement, the convertible notes payable was reduced to \$-0- in the accompanying consolidate balance sheets.

### Cash

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes. The Company had \$137,476 and \$17,881 of cash as of August 31, 2021 and 2020, respectively.

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### [Revenue recognition](#)

Revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration that an entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations the Company must deliver and which of these performance obligations are distinct. The Company recognizes as revenues the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied or as it is satisfied. Generally, the Company's performance obligations are transferred to customers at a point in time, typically upon delivery.

### [Fair Value of Financial Instruments](#)

Fair value of certain of the Company's financial instruments including cash, prepaid expenses, accounts payable, accrued expenses, notes payable, and other accrued liabilities approximate cost because of their short maturities. The Company measures and reports fair value in accordance with ASC 820, "Fair Value Measurements and Disclosure" defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value investments.

Fair value, as defined in ASC 820, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset should reflect its highest and best use by market participants, principal (or most advantageous) markets, and an in-use or an in-exchange valuation premise. The fair value of a liability should reflect the risk of nonperformance, which includes, among other things, the Company's credit risk.

Valuation techniques are generally classified into three categories: the market approach; the income approach; and the cost approach. The selection and application of one or more of the techniques may require significant judgment and are primarily dependent upon the characteristics of the asset or liability, and the quality and availability of inputs. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also provides fair value hierarchy for inputs and resulting measurement as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: 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; and inputs that are derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3: Unobservable inputs for the asset or liability that are supported by little or no market activity, and that are significant to the fair values.

Fair value measurements are required to be disclosed by the Level within the fair value hierarchy in which the fair value measurements in their entirety fall. Fair value measurements using significant unobservable inputs (in Level 3 measurements) are subject to expanded disclosure requirements including a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the following: (i) total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings, and a description of where those gains or losses included in earnings are reported in the statement of income.

As discussed in *Note 10 – Derivative Liability*, the Company valued its derivative liability using Level 3 inputs as of August 31, 2020. As discussed on *Note 3 – Exchange Agreement*, the Company exchanged the preferred stock warrants and convertible notes payable for Series B Preferred Stock. As a result of the agreement, the derivative liability was reduced to \$-0- in the accompanying consolidated statement of operations. The Company did not identify any additional assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with ASC 825-10 as of August 31, 2021 and 2020.

#### Derivative Liabilities

The Company generally does not use derivative financial instruments to hedge exposures to cash flow or market risks. However, certain other financial instruments, such as warrants and embedded conversion features on the convertible debt, are classified as derivative liabilities due to protection provisions within the agreements. Convertible notes payable are initially recorded at fair value using the Monte Carlo model and subsequently adjusted to fair value at the close of each reporting period. The preferred stock warrants are initially recorded at fair value using the Black Scholes model and subsequently adjusted to fair value at the close of each reporting period. The Company accounts for derivative instruments and debt instruments in accordance with the interpretive guidance of ASC 815, ASU 2017-11, and associated pronouncements related to the classification and measurement of warrants and instruments with conversion features.

#### Income Taxes

Income taxes are accounted for under the assets and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Use of net operating loss carry forwards for income tax purposes may be limited by Internal Revenue Code section 382 if a change of ownership occurs.

#### Principals of Consolidation

The consolidated financial statements represent the results of Gridiron BioNutrients, Inc, its wholly owned subsidiary, Gridiron Ventures and the assets, processes, and results therefrom. All intercompany transactions and balances have been eliminated. All financial information has been prepared in conformity with accounting principles generally accepted in the United States of America.

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### Property and Equipment

Property and equipment are carried at cost. Expenditures for maintenance and repairs are expensed in the period incurred. Renewals and betterments that materially extend the life of the assets are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Depreciation is computed for financial statement purposes on a straight-line basis over estimated useful lives of the related assets and the modified accelerated cost recovery system for federal income tax purposes. The estimated useful lives of depreciable assets are:

|                              | <b>Estimated<br/>Useful<br/>Lives</b> |
|------------------------------|---------------------------------------|
| Computer and other equipment | 3 years                               |
| Vehicle                      | 5 years                               |

The Company's property and equipment consisted of the following as of August 31, 2021 and 2020:

|                          | <b>August 31,<br/>2021</b> | <b>August 31,<br/>2020</b> |
|--------------------------|----------------------------|----------------------------|
| Computer Equipment       | \$ 1,569                   | \$ 1,569                   |
| Other                    | 3,587                      | 3,587                      |
| Accumulated depreciation | (4,558)                    | (3,144)                    |
| Net book value           | <u>\$ 598</u>              | <u>\$ 2,012</u>            |

Depreciation expense was \$1,414 and \$2,613 for the years ended August 31, 2021 and 2020, respectively.

### Inventories

Inventories consist of raw materials and T-free distillate and are stated at the lower of cost or net realizable value using the first-in, first-out method. The Company periodically assesses the recoverability of its inventory and reduces the carrying value of the inventory when items are determined to be obsolete, defective or in excess of forecasted sales requirements. Inventory write-downs for excess, defective and obsolete inventory are recorded as impairment expense in the accompanying statement of operations. The Company wrote-off \$19,450 and \$485,662 of obsolete inventory or inventory below market value for the for the years ended August 31, 2021 and 2020, respectively.

A summary of the Company's inventory as of August 31, 2021 and 2020 are as follows:

| <b>Type</b>       | <b>August 31,<br/>2021</b> | <b>August 31,<br/>2020</b> |
|-------------------|----------------------------|----------------------------|
| Raw Materials     | \$ -0-                     | \$ 450                     |
| T-free Distillate | 17,000                     | 37,000                     |
| Total Inventory   | \$ 17,000                  | \$ 37,450                  |

### Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity.

The Series B Convertible Preferred shares would convert to 2,694,514 shares of the Company's common stock in addition to the 188,616 outstanding shares at August 31, 2021. The Company calculates diluted earnings per share by dividing the Company's net income available to common shareholders less preferred dividends by the diluted weighted average number of shares outstanding during the period. The conversion of the Company's Series B Convertible Preferred shares are excluded from the computation of diluted earnings per share as they are anti-dilutive due to the Company's operating losses for the years ended August 31, 2021 and 2020.

### Dividends

During the year ended August 31, 2018, the Company issued Series A Convertible Preferred Stock, which accrues dividends at a rate of 5% annually. As discussed on Note 3 – Exchange Agreement, the Company exchanged the Series A Convertible Preferred for Series B Preferred Stock. As a result of the Exchange agreement, the dividends on the Series A Convertible Preferred Stock was reduced to \$-0- in the accompanying consolidated balance sheets. The Series B Convertible Preferred Stock accrues dividends at a rate of 10% annually. There was \$138,195 and \$73,995 of dividends payable at August 31, 2021 and 2020, respectively. The dividends have not been declared and are accrued in the accompanying consolidated balance sheets as a result of a contractual obligation in the Company's Series B Preferred Stock offering.

Advertising Costs

The Company's policy regarding advertising is to expense advertising when incurred. The Company incurred advertising costs totaling \$677 and \$2,664 during the years ended August 31, 2021 and 2020, respectively.

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Stock-Based Compensation

The Company accounts for share-based compensation in accordance with the fair value recognition provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 718. The Company issues restricted stock to employees and consultants for their services. Cost for these transactions are measured at the fair value of the equity instruments issued at the date of grant. These shares are considered fully vested and the fair market value is recognized as expense in the period granted. The Company recognized consulting expenses and a corresponding increase to additional paid-in-capital related to stock issued for services. For agreements requiring future services, the consulting expense is to be recognized ratably over the requisite service period.

There was \$-0- stock-based compensation during years ended August 31, 2021 and 2020.

### Related Parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include (a) affiliates of the Company; (b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; (c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (d) principal owners of the Company; (e) management of the Company; (f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: (a) the nature of the relationship(s) involved; (b) description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; (c) the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and (d) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

### Recently Issued Accounting Standards

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*, as part of its Simplification Initiative to reduce the cost and complexity in accounting for income taxes. ASU 2019-12 removes certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. ASU 2019-12 also amends other aspects of the guidance to help simplify and promote consistent application of GAAP. The guidance is effective for interim and annual periods beginning after December 15, 2020, with early adoption permitted. The Company is currently evaluating the effect ASU 2019-12 will have on the consolidated financial statements and related disclosures.

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 reduces the number of accounting models for convertible debt instruments and convertible preferred stock. For convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, *Derivatives and Hedging*, or that do not result in substantial premiums accounted for as paid-in capital, the embedded conversion features no longer are separated from the host contract. ASU 2020-06 also removes certain conditions that should be considered in the derivatives scope exception evaluation under Subtopic 815-40, *Derivatives and Hedging—Contracts in Entity's Own Equity*, and clarify the scope and certain requirements under Subtopic 815-40. In addition, ASU 2020-06 improves the guidance related to the disclosures and earnings-per-share (EPS) for convertible instruments and contract in entity's own equity. ASU 2020-06 is effective for public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Board specified that an entity should adopt the guidance as of the beginning of its annual fiscal year. The Company is currently evaluation the impact this ASU will have on its consolidated financial statements.

Management believes recently issued accounting pronouncements will have no impact on the financial statements of the Company.

### Accounts Receivable

Accounts receivable balances are established for amounts owed to the Company from its customers from the sale of products. The Company closely monitors the collectability of outstanding accounts receivable and provide an allowance for doubtful accounts based on estimated collections of outstanding amounts. The Company evaluated the accounts receivable and determined no collection loss reserve was necessary. There were \$-0- outstanding accounts receivable as of August 31, 2021 and 2020.

### Trademark

Trademark costs are capitalized as incurred to the extent the Company expects the costs incurred to result in a trademark being awarded. The trademarks are deemed to have an indefinite life and are reviewed for impairment loss considerations annually. As of August 31, 2021 and 2020, the Company had trademarks totaling \$1,680.

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**NOTE 3 – EXCHANGE AGREEMENT**

On April 9, 2021 Company entered into an Exchange Agreement with Calvary Fund Management, LLC (“Calvary”) pursuant to which it agreed to issue Calvary 2,694,514 shares of its newly designated Series B Convertible Preferred Stock (the “Series B Preferred”) in exchange (the “Exchange”) for (i) 8,480,000 shares of its Series A Convertible Preferred Stock (the “Series A Preferred”), (ii) outstanding common stock purchase warrants (the “Warrants”), and (iii) all principal and accrued interest due under outstanding convertible promissory notes (the “Convertible Notes”, and together with the Series A Preferred and the Warrants, the “Calvary Securities”). The closing of the Exchange (the “Closing”) will occur following the satisfaction or waiver of the conditions set forth in the Exchange Agreement. On the Closing date, subject to the terms and conditions of the Exchange Agreement, the Company will issue the Series B Preferred to Calvary in exchange for the Calvary Securities (which will be cancelled and retired) in a transaction exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”) in reliance on exemptions provided pursuant to Section 3(a)(9) of the Securities Act.

The Series B Preferred Designations designated 2,694,514 shares of the Company’s blank check preferred stock as Series B Preferred Stock. In addition to rights granted to holders of Series B Preferred Stock under the Nevada Revised Statutes, each holder will be entitled to the whole number of votes equal to the number of shares of common stock into which such holder’s Series B Preferred Stock would be convertible on the record date for the vote or consent of stockholders, and shall otherwise have voting rights and powers equal to the voting rights and powers of the common stock. Once issued, the shares of Series B Preferred Stock are transferrable by the holder in the holder’s sole option without the consent of the Company, subject to compliance with Section 5 of the Securities Act.

The Series B Preferred Stock will rank senior to all other classes of the Company’s capital stock and has a stated value of \$1.30 per share (the “Stated Value”). Subject only to the liquidation rights of the holders of Series B Preferred Stock that is then currently issued and outstanding, upon the liquidation, dissolution or winding up of the business of the Company, whether voluntary or involuntary, the Series B Preferred Stock is entitled to receive an amount per share equal to the Stated Value and then receive a pro-rata portion of the remaining assets available for distribution to the holders of common stock on an as-converted to common stock basis.

From and after the Closing date, cumulative dividends on each share of Series B Preferred Stock will accrue, on a quarterly basis in arrears, at the rate of 10% per annum on the Stated Value, plus all dividends, whether declared or not, on such share of Series B Preferred Stock (the “Additional Amount”) thereon. All accrued dividends on each share of Series B Preferred Stock are to be paid upon conversion of the Series B Preferred Stock for which the applicable dividend is due. At the option of the Company dividends may be paid in cash or shares of common stock. Each holder of Series B Preferred Stock will also be entitled to receive dividends or distributions on each share of Series B Preferred Stock on an “as converted” into common stock basis when and if dividends are declared on the common stock by the Company’s Board of Directors. Dividends may be paid in cash or property, as determined by the Board of Directors.

Subject to the beneficial ownership limitations described below, at any time after the Closing date, each share of Series B Preferred Stock will be convertible at the holder’s option into validly issued, fully paid and non-assessable shares of common stock at a conversion rate (the “Conversion Rate”) determined by dividing the Conversion Amount of such share of Series B Preferred Stock by the conversion price, which is (i) \$1.30 or (ii) 75% of the price paid per share by investors in any subsequent offering of the Company’s common stock or common stock equivalents, subject to adjustment as provided herein, subject to adjustment as set forth below (the “Conversion Price”). The Conversion Amount is defined as the Stated Value plus the Additional Amount and any accrued and unpaid late charges with respect to such Stated Value and Additional Amount as of such date of determination. In addition, the shares of Series B Preferred Stock will be convertible at the holder’s option at the Conversion Price any time during the period commencing on the date of the occurrence of a Triggering Event (as defined in the Series B Preferred Designations). A holder of Series B Preferred Stock will not be able to convert the shares into shares of common stock to the extent such conversion or exercise would cause the holder, together with its affiliates, to beneficially own a number of shares of common stock which would exceed 4.99% of the Company’s then outstanding shares of our common stock following such exercise or conversion, subject to a waiver by the holder upon 61 days’ prior notice to the Company.

The Conversion Price and the number of shares of common stock issuable upon conversion of the Series B Preferred Stock will be subject to pro-rata adjustment for stock splits, dividends and similar corporate events. In addition, if on or after April 9, 2021, the execution date of the Exchange Agreement, the Company issues or sells, or is deemed to have issued or sold, any shares of common stock, excluding certain specified excluded securities for a consideration per share (the “New Issuance Price”) less than a price equal to the Conversion Price in effect immediately prior to such issue or sale or deemed issuance or sale, then, immediately after such dilutive issuance, the Conversion Price then in effect shall be reduced to the New Issuance Price.

The Series B Preferred Designations or any provision hereof (other than the beneficial ownership limitation set forth above) may be modified or amended or the provisions hereof waived with the written consent of the Company and either (i) the holders of a majority of the Series B Preferred Stock then currently outstanding, which must include Cavalry as long as Cavalry (or any of its affiliates) owns at least 5% of the Series B Preferred Stock issued pursuant to the Exchange Agreement, or (ii) Cavalry as long as Cavalry (or any of its affiliates) owns at least 5% of the Series B Preferred Stock issued pursuant to the Exchange Agreement.

On the date of the exchange, the Company exchanged 2,694,514 shares of the Company’s Series B Preferred Stock for the principal and interest on four convertible notes payable for \$1,477,437, dividends payable on the Series A preferred stock of \$105,432 and the Series A preferred stock for \$1,006,000 for an aggregate of \$2,588,869.

On May 17, 2019, Calvary acquired 2,107,356 shares of Series A Preferred Stock and 2,107,356 shares of preferred stock warrants from Pinz Capital Special Opportunities Fund LP.

**NOTE 4 – GOING CONCERN**

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company had limited revenue and a net operating loss of \$238,991 for the year ended August 31, 2021. The Company has working capital deficit of \$238,249 and an accumulated deficit of \$2,973,628 as of August 31, 2021. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The ability of the Company to fully commence its operations is dependent upon, among other things, obtaining additional financing to continue operations, and execution of its business plan. In response to these concerns, management plans to fund operations through additional debt and equity financing. Debt instruments may be convertible or non-convertible and will vary based on the Company's needs and financing options available at such times. There can be no assurance that management's plan will be successful.

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**NOTE 5 – NOTES RECEIVABLE**

On January 24, 2020, the Company received a promissory note from a supplier, Notis Global, Inc. ("NGBL"). The \$112,500 note was issued with an original issue discount of \$12,500 or 12.5%. NGBL will repay the promissory note with 12.5% of its sales of derivative products of hemp planted and harvested in 2020. In addition, once the promissory note has been repaid, the Company shall be paid an aggregate of 3.75% of the 2020 derivative products revenues sold by the supplier. The original issue discount is amortized through the term of the note. At August 31, 2020, the Company evaluated the promissory noted under ASU 2016-16, "*Financial Instruments – Credit Losses, (Topic 326)*" and determined the entire balance was impaired. The Company reported a \$100,000 impairment charge at August 31, 2020.

On April 27, 2020, the Company entered into a Participation Agreement, effective April 27, 2020, with Libertas Funding, LLC, a Connecticut Limited Liability Company ("Libertas"), pursuant to which Libertas offered and the Company accepted to participate with Future Receivables in Purchase Agreement(s) with qualifying merchants, specifically QSI Holding Company, a Delaware Corporation ("QSI"). The Company's participation buy-in amount was \$200,000 with a participation purchase of \$264,000 that is estimated to result in weekly payments to the Company for a minimum period of nine months or until the full participation purchase amount has been paid. The \$200,000 buy-in was recorded as a Note receivable on the accompanying consolidated balance sheets. On September 1, 2020, Libertas renegotiated this agreement and the Company will receive weekly payments for \$4,921 and extended the term to 38 weeks. The previous weekly payment was

\$6,984. The unpaid balance was \$-0- and \$132,852 at August 31, 2021 and 2020, respectively.

In addition, on April 29, 2020, under the Libertas Participation Agreement, the Company received 45,053 Warrants of QSI Holding Company, a private company, ("QSI Warrants") to purchase common stock priced at \$3.111 per share for common stock par value \$0.00001 expiring the 7th anniversary after the issue date. Upon issuance, the Company valued the warrants using the Black Scholes model yielding a total value of \$58,443. The Company used the following assumptions upon measurement: QSI Holding Company value per common share of \$3.4520, a life of 7 years, an exercise price of \$3.111, a risk-free rate of 0.56% and volatility of 32%. In addition, the Company recorded a discount of \$58,443 and will record income over the 7-year life of the warrants. The warrants are recorded as an equity investment in the accompanying consolidated balance sheets for \$11,132 and \$2,783 at August 31, 2021 and 2020, respectively. The Company recorded other income of \$8,349 and \$2,783, respectively for the years ended August 31, 2021 and 2020, respectively, in the accompanying statement of operations.

## **NOTE 6 – NOTES PAYABLE**

### Short-Term Notes Payable

On September 14, 2017, the Company issued a \$10,000 promissory note to a limited liability company. The loan bears interest at 5% and has a maturity date of September 15, 2018. The unpaid balance including accrued interest was \$11,982 and \$11,482 at August 31, 2021 and 2020, respectively. The Company is in default with the repayment terms of the note.

On May 31, 2018, the Company issued a \$39,500 promissory note to a company. The loan bears interest at 0% and has a maturity date of November 30, 2018. During March 2020, it was discovered the promissory note was fully paid-off on August 6, 2018 and inadvertently recorded as an operating expense for the year ended August 31, 2018. At May 31, 2020, the Company wrote-off the promissory note to operating expense. The unpaid balance was \$-0- at August 31, 2021 and 2020.

On August 30, 2021, the Company issued a \$150,000 promissory note to an investor. The loan bears interest at 18% and has a maturity date of August 30, 2022. The unpaid balance including accrued interest was \$150,074 August 31, 2021.

### Convertible Notes Payable

As discussed on Note 3 – Exchange Agreement, the Company exchanged the convertible notes payable for Series B Preferred Stock. As a result of the Exchange agreement, the convertible notes payable were reduced to \$-0- in the accompanying consolidated balance sheets.

On August 27, 2019, the Company signed a convertible promissory note with an investor. The \$30,000 note was issued with an original issue discount of \$3,000 and bears interest at 10% per year. The note principal and interest are convertible into shares of common stock at a 25% discount to the lowest traded price of the Company's common stock during the 10 prior trading days including the day the notice of conversion is received by the Company. The note matured on February 27, 2020. The note has a prepayment penalty of 110% of the principal and interest outstanding if repaid before 180 days from issuance. After February 27, 2020, the payment premium increases to 125% of the principal and interest outstanding and if in default, the payment premium increases to 140% of the principal and interest outstanding. The original issue discount is amortized through the term of the note. The unpaid balance including accrued interest was \$-0- and \$46,870 at August 31, 2021 and 2020, respectively.

On November 25, 2019, the Company signed a convertible promissory note with an investor. The \$140,000 note was issued with an original issue discount of \$14,000 and bears interest at 10% per year. The note principal and interest are convertible into shares of common stock at a 35% discount to the lowest traded price of the Company's common stock during the 10 prior trading days including the day the notice of conversion is received by the Company. The note matured on May 25, 2020. The note has a prepayment penalty of 110% of the principal and interest outstanding if repaid before 180 days from issuance. If in default, the payment premium increases to 140% of the principal and interest outstanding. The original issue discount is amortized through the term of the note. The unpaid balance including accrued interest was \$-0- and \$212,577 at August 31, 2021 and 2020, respectively.

On January 27, 2020, the Company signed a convertible promissory note with an investor. The \$555,000 note was issued with an original issue discount of \$55,500 and bears interest at 10% per year. The note principal and interest are convertible into shares of common stock at a 35% discount to the lowest traded price of the Company's common stock during the 10 prior trading days including the day the notice of conversion is received by the Company. The note matured on July 27, 2020. The note has a prepayment penalty of 115% of the principal and interest outstanding if repaid more than 30 days after note issuance. If in default, the payment premium increases to 140% of the principal and interest outstanding. The original issue discount is amortized through the term of the note. The unpaid balance including accrued interest was \$-0- and \$825,475 at August 31, 2021 and 2020, respectively.

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On April 27, 2020, the Company signed a convertible promissory note with an investor. The \$259,615 note was issued with an original issue discount of \$57,115 and bears interest at -0-% per year. The Company recorded the self-amortizing convertible promissory note using the effective interest rate method to calculate the loan payable at \$202,500 and accrued interest at \$57,115. The note requires nine equal payments due starting June 15, 2020 for \$28,846. In the event the Company fails to make the \$28,846 installment payment by the 15<sup>th</sup> day of each designated month and/or fails to cure any missed installment payment within five (5) calendars days following the due date, or the Company defaults, the defaulted amount owed shall be 130% of the total outstanding balance owed by the Company. The default interest rate for missing an installment payment shall be 18% and the conversion into common stock shall be at a price of \$0.02 per common stock. The note principal and interest are convertible into shares of common stock at the lower of \$0.02 per share or a 35% discount to the lowest traded price of the Company's common stock during the 10 prior trading days including the day the notice of conversion is received by the Company. The note matured on February 21, 2021. The Company made the first payment on June 15, 2020 for \$28,846 and a partial payment of \$10,000 on July 15, 2020. The original issue discount is amortized through the term of the note. The unpaid principal and interest balance was \$-0- and \$287,665 August 31, 2021 and 2020, respectively.

The conversion features meet the definition of a derivative liability instrument because the conversion rate is variable and therefore does not meet the "fixed-for-fixed" criteria outlined in ASC 815-40-15. As a result, the conversion features of the notes are recorded as a derivative liability at fair value and marked-to-market each period with the changes in fair value each period charged or credited to other income (expense). See [Note 10 - Derivative Liability](#), for a further discussion.

At August 31, 2021 and 2020, the outstanding principal balances of the convertible notes payable, net of debt discount was \$-0- and \$831,170, respectively. The Company recorded interest accretion on the debt discount of \$114,599 and \$869,967 for the years ended August 31, 2021 and 2020, respectively, in the accompanying consolidated statements of operations.

### **NOTE 7 – RELATED PARTY TRANSACTIONS**

As of August 31, 2021, and 2020, the Company owed \$64,600 and \$73,469, respectively to its President and Director. The balance due is recorded as related party payable in the accompanying consolidated balance sheets.

### **NOTE 8 – STOCKHOLDERS' EQUITY**

#### Preferred Stock

There were -0- and 8,480,000 shares of Series A Convertible Preferred Stock issued and outstanding as of August 31, 2021 and 2020, respectively.

As discussed on [Note 3 – Exchange Agreement](#), the Company designated 2,694,514 shares of Series B Convertible Preferred Stock in April 2021. There were 2,694,514 and -0- shares of Series B Convertible Preferred Stock issued and outstanding as of August 31, 2021 and 2020, respectively.

#### Common Stock

On January 8, 2021, a 308-to-1 reverse stock split was declared effective. In accordance with the terms of all such instruments, the conversion ratio of the Company's outstanding Series A Convertible Preferred Stock and its various convertible promissory notes, together with the exercise price of its outstanding warrants, were proportionally adjusted to give effect to the reverse stock split.

The Company is authorized to issue up to 200,000,000 shares of \$0.001 par value common stock.

On, January 28, 2020, the Company entered into an agreement to repurchase 252,833 restricted shares of the Company's common stock from an investor. The Company paid \$80,000 or \$0.3164 per share and immediately retired the shares.

There were 188,616 and 187,194 common shares issued and outstanding as of August 31, 2021 and 2020, respectively.

### **NOTE 9 – COMMITMENTS AND CONTINGENCIES**

The Company could become a party to various legal actions arising in the ordinary course of business. Matters that are probable of unfavorable outcomes to the Company and which can be reasonably estimated are accrued. Such accruals are based on information known about the matters, the Company's estimates of the outcomes of such matters and its experience in contesting, litigating and settling similar matters. As of the date of this report, there are no pending legal proceedings to which the Company is a party or of which any of their property is the subject, nor are there any such proceedings known to be contemplated by governmental authorities.

#### NOTE 10 – DERIVATIVE LIABILITY

As discussed on Note 3 – Exchange Agreement, the Company exchanged the preferred stock warrants and convertible notes payable for Series B Preferred Stock. As a result of the agreement, the derivative liability was reduced to \$-0- in the accompanying consolidate statement of operations.

##### Preferred Stock Warrants

During the year ended August 31, 2018, the Company issued a total of 27,532 warrants to purchase common stock as part of its preferred stock offering. The warrants are exercisable for a period of three years at \$50.82 per share. Additionally, the warrant holder is entitled to a cashless exercise after nine months from issuance in which the holder is entitled to receive a number of shares equal to: [A] the number of outstanding warrant shares under the original issuance multiplied by [B] the greater of the trailing five day volume weighted average price less [A] the number of outstanding warrant shares under the original issuance multiplied by [C] the exercise price of the warrant under the original issuance divided by [D] the lesser of the arithmetic average of the volume weighted average price during the five trailing trading days or the volume weighted average price for the trading day immediately prior to the cashless exercise election. For clarity, the resulting formula is  $[(A \times B) - (A \times C)] / D$ .

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The Company analyzed the conversion features of the cashless exercise feature in the warrants issued for derivative accounting consideration under ASC 815-15 "Derivatives and Hedging" and determined that the embedded features should be classified as a derivative liability because the exercise price of these warrants are subject to a variable rate. The Company has determined that warrants are not considered to be solely indexed to the Company's own stock and is therefore not afforded equity treatment. In accordance with ASC 815, the Company has recorded a derivative liability.

Upon issuance, the Company valued the derivative using a Black-Scholes model yielding a total value of \$674,012 which was expensed during the year ended August 31, 2018. The Company used the following assumptions upon initial measurement: value per common share of \$27.72, a remaining life of 3.0 years, an exercise price of \$50.82, a risk-free rate of 2.77% and volatility of 195%. As discussed on [Note 3 – Exchange Agreement](#), the Company exchanged the preferred stock warrants for Series B Preferred Stock. As a result of the agreement, the derivative liability for the preferred stock warrants was reduced to \$-0- in the accompanying consolidate statement of operations.

The following table summarizes all stock warrant activity for the years ended August 31, 2021:

|                              | Warrants | Weighted-Average<br>Exercise<br>Price<br>Per Share |
|------------------------------|----------|--|
| Outstanding, August 31, 2020 | 27,532   | \$ 50.82   |
| Granted                      | -        | -  |
| Exercised                    | -        | -  |
| Forfeited                    | -        | -  |
| Cancelled                    | (27,532) | (50.82)  |
| Outstanding, August 31, 2021 | -        | -  |

#### Convertible Notes Payable

As discussed in Note 6 – Notes Payable, the Company signed various convertible promissory note with an investor as follows:

On August 27, 2019, the Company signed a \$30,000 convertible promissory note with an investor. The note principal and interest are convertible into shares of common stock at a 25% discount to the lowest traded price of the Company's common stock during the 10 prior trading days including the day the notice of conversion is received by the Company.

The Company analyzed the conversion feature and determine it meets the definition of a derivative liability instrument because the conversion rate is variable and therefore does not meet the "fixed-for-fixed" criteria outlined in ASC 815-40-15. As a result, the conversion features of the notes are recorded as a derivative liability at fair value and marked-to-market each period with the changes in fair value each period charged or credited to other income (expense).

Upon issuance, the Company valued the derivative using a Monte Carlo simulation model yielding a total value of \$50,277 which was recorded as a derivative liability during the year ended August 31, 2019. The Company used the following assumptions upon initial measurement: value per common share of \$2.74, a remaining life of 6 months, an exercise price of \$1.30, a risk-free rate of 1.98% and volatility of 287%. In addition, the Company calculated the derivative discount as the difference between the conversion price and the fair market value of the Company's common stock on the date of issuance. The Company recorded an original issue discount of \$3,000 and a derivative discount of \$27,000 which aggregated a total discount of \$30,000 and was recorded as a discount in the accompanying consolidated balance sheet. On the date of issuance, a net loss of \$23,277 was recorded in the accompanying statement of operations.

On November 25, 2019, the Company signed a \$140,000 convertible promissory note with an investor. The note principal and interest are convertible into shares of common stock at a 35% discount to the lowest traded price of the Company's common stock during the 10 prior trading days including the day the notice of conversion is received by the Company.

The Company analyzed the conversion feature and determine it meets the definition of a derivative liability instrument because the conversion rate is variable and therefore does not meet the "fixed-for-fixed" criteria outlined in ASC 815-40-15. As a result, the conversion features of the notes are recorded as a derivative liability at fair value and marked-to-market each period with the changes in fair value each period charged or credited to other income (expense).

Upon issuance, the Company valued the derivative using a Monte Carlo simulation model yielding a total value of \$172,608 which was recorded as a derivative liability during the three months ended November 30, 2019. The Company used the following assumptions upon initial measurement: value per common share of \$1.54, a remaining life of 6 months, an exercise price of \$0.93, a risk-free rate of 1.61% and volatility of 275%. In addition, the Company calculated the derivative discount as the difference between the conversion price and the fair market value of the Company's common stock on the date of issuance. The Company recorded an original issue discount of \$14,000 and a derivative discount of \$126,000 which aggregated a total discount of \$140,000 and was recorded as a discount in the accompanying consolidated balance sheet. On the date of issuance, a net loss of \$46,608 was recorded in the accompanying statement of operations.

On January 27, 2020, the Company signed a \$555,000 convertible promissory note with an investor. The note principal and interest are convertible into shares of common stock at a 35% discount to the lowest traded price of the Company's common stock during the 10 prior trading days including the day the notice of conversion is received by the Company.

The Company analyzed the conversion feature and determine it meets the definition of a derivative liability instrument because the conversion rate is variable and therefore does not meet the "fixed-for-fixed" criteria outlined in ASC 815-40-15. As a result, the conversion features of the notes are recorded as a derivative liability at fair value and marked-to-market each period with the changes in fair value each period charged or credited to other income (expense).

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Upon issuance, the Company valued the derivative using a Monte Carlo simulation model yielding a total value of \$929,300 which was recorded as a derivative liability during the three months ended February 29, 2020. The Company used the following assumptions upon initial measurement: value per common share of \$6.65, a remaining life of 6 months, an exercise price of \$3.13, a risk-free rate of 1.57% and volatility of 281%. In addition, the Company calculated the derivative discount as the difference between the conversion price and the fair market value of the Company's common stock on the date of issuance. The Company recorded an original issue discount of \$55,500 and a derivative discount of \$499,500 which aggregated a total discount of \$555,000 and was recorded as a discount in the accompanying consolidated balance sheet. On the date of issuance, a net loss of \$429,800 was recorded in the accompanying statement of operations.

On April 27, 2020, the Company signed a \$259,615 convertible promissory note with an investor. The note principal and interest are convertible into shares of common stock at \$0.02 per share or a 35% discount to the lowest traded price of the Company's common stock during the 10 prior trading days including the day the notice of conversion is received by the Company.

The Company analyzed the conversion feature and determine it meets the definition of a derivative liability instrument because the conversion rate is variable and therefore does not meet the "fixed-for-fixed" criteria outlined in ASC 815-40-15. As a result, the conversion features of the notes are recorded as a derivative liability at fair value and marked-to-market each period with the changes in fair value each period charged or credited to other income (expense).

Upon issuance, the Company valued the derivative using a Monte Carlo simulation model yielding a total value of \$587,772 which was recorded as a derivative liability during the three months ended May 31, 2020. The Company used the following assumptions upon initial measurement: value per common share of \$3.17, a remaining life of 9 months, an exercise price of \$1.28, a risk-free rate of 0.17% and volatility of 304%. In addition, the Company calculated the derivative discount as the difference between the conversion price and the fair market value of the Company's common stock on the date of issuance. The Company recorded an original issue discount of \$57,115 and a derivative discount of \$202,500 which aggregated a total discount of \$259,615 and was recorded as a discount in the accompanying consolidated balance sheet. On the date of issuance, a net loss of \$385,272 was recorded in the accompanying statement of operations.

## Derivative Liability Summary

As of August 31, 2021 and 2020, the Company had derivative liabilities totaling \$-0- and \$1,454,480, respectively, in the accompanying consolidated balance sheet, and (gain) loss on change in fair value of the derivative liability of (\$1,454,480) and (\$301,581) for the years ended August 31, 2021 and 2020, respectively, in the accompanying consolidated statement of operations. In addition, the Company amortized \$114,599 and \$869,967 to interest accretion during the years ended August 31, 2021 and 2020, respectively, in the accompanying consolidated statement of operations for the preferred stock warrants and derivative convertible notes payable.

## **NOTE 11 – MATERIAL CONTRACTS**

On September 4, 2019, the Company signed an initial non-binding letter of intent with NanoPeak Performances, LLC with a subsequent addendum for the sale of the majority of its existing inventory as well as the exclusive license to Gridiron intellectual property and other intangible assets. During October 2019, NanoPeak Performances paid a \$25,000 non-refundable deposit on the transaction. The Company recorded the deposit in accrued expenses in accompanying consolidated balance sheet. On May 31, 2020, the Company determined the non-binding letter of intent terminated and wrote-off the \$25,000 non-refundable deposit other income.

In November 2019, the Company made a strategic decision to expand into the cannabinoids (CBD) oil extraction business and on or about November 27, 2019, the Company signed a Supply Agreement with Notis Global, Inc. ("NGBL"), a grower to purchase 10,000 pounds of industrial hemp (biomass) and was processed into crude during the three months ended May 31, 2020. During November 2019, the Company paid \$100,000 to the supplier and recorded the purchase in inventory in the accompanying consolidated balance sheet. During January 2020, the Company purchased an additional 30,000 pounds of industrial hemp (biomass) for \$5 a pound or \$150,000 under the agreement. On August 31, 2020, the Company wrote-down \$115,000 of its recently purchased industrial hemp (biomass) raw material to fair market value of \$35,000. On May 31, 2021, the Company wrote-down \$19,100 of its industrial hemp (biomass) and other raw material to fair market value of \$17,000. The write-down was recorded as an impairment charge in the accompanying statements of operations.

On December 13, 2019, the Company signed a Toll Processing Agreement with a corporation to process industrial hemp (biomass) into the CBD product. The contract is valued at \$100,000. During the year ending August 31, 2020, the Company spent \$72,500 to fulfill the contract.

On January 24, 2020, the Company signed a Collaboration Agreement with a supplier, Notis Global, Inc. ("NGBL"), to explore and consider potential business opportunities for the parties within various segments of the hemp CBD supply chain including cultivation, extraction and purification and retail products. As consideration for the services to be provided by the Company, NGBL shall issue to the Company 2.5 billion shares of NGBL restricted common stock. Either party may terminate this agreement at any time upon 10 business days' written notice. The equity investment is valued at \$250,000 or 20% ownership of NGBL, however, NGBL is not current with their filing with the Securities and Exchange Commission and do not have the authorized shares to fulfill the agreement. The Company evaluated the shares of NGBL and determined there was \$-0- value at August 31, 2021.

#### **NOTE 12 – INCOME TAXES**

The Company's policy is to provide for deferred income taxes based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates that will be in effect when the differences are expected to reverse. The U.S. Tax Cuts and Jobs Act (TCJA) legislation reduces the U.S. federal corporate income tax rate from 35.0% to 21.0% and is effective June 22, 2018 for the Company. We did not provide any current or deferred U.S. federal income tax provision or benefit for any of the periods presented because we have experienced operating losses since inception. When it is more likely than not that a tax asset cannot be realized through future income the Company must allow for this future tax benefit. We provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carryforwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carryforward period.

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The Company is not aware of any uncertain tax position that, if challenged, would have a material effect on the financial statements for the year ended August 31, 2021 or during the prior three years applicable under FASB ASC 740. We did not recognize any adjustment to the liability for uncertain tax position and therefore did not record any adjustment to the beginning balance of accumulated deficit on the consolidated balance sheet. All tax returns for the Company remain open for examination.

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences for the periods presented are as follows:

|  | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Income tax provision at the federal statutory rate | 21%         | 21%         |
| Effect on operating losses                         | (21%)       | (21%)       |

The net deferred tax assets consist of the following:

|                     | <u>August 31,<br/>2021</u> | <u>August 31,<br/>2020</u> |
|---------------------|----------------------------|----------------------------|
| Deferred tax asset  | \$ 615,839                 | \$ 807,225                 |
| Valuation allowance | (615,839)                  | (807,225)                  |

|                        |    |   |    |   |
|------------------------|----|---|----|---|
| Net deferred tax asset | \$ | - | \$ | - |
|------------------------|----|---|----|---|

The change in the valuation allowance for the year ended August 31, 2021 was an increase of \$191,836.

#### NOTE 13 – SUBSEQUENT EVENTS

On September 7, 2021, the Company consummated the initial tranche of its \$2 million financing contemplated by that certain Series B-1 Purchase Agreement between the Company and Lincoln Park Capital Fund, LLC (“LPC”) pursuant to which the Company agreed to issue and sell to LPC up to 2,694,514 shares of its newly designated Series B-1 Convertible Preferred Stock (the “Series B-1 Preferred”) at a Stated Value per share price of \$0.742245 (or \$2,000,000 in the aggregate). At the initial closing, the Company issued 673,628 shares of Series B-1 Preferred to LPC and received \$500,000 in gross proceeds. On October 28, 2021, the Company consummated the second tranche of the Series B-1 Preferred Stock investment, issuing an additional 637,628 shares of its Series B-1 Preferred Stock to LPC at a price per share of \$0.742245 or \$500,000.00 in the aggregate. On November 9, 2021, the Company consummated the third and final tranche of the Series B-1 Preferred Stock investment, issuing an additional 1,347,256 shares of its Series B-1 Preferred Stock to LPC at a price per share of \$0.742245 or \$1,000,000.00 in the aggregate. The aggregate gross proceeds of \$2,000,000 will be used by the Company as working capital.

On November 8, 2021, the Company entered into a Warrant Assignment Agreement to assign the QSI Warrants issued on April 29, 2020 from QSI Holding Company, Inc. (“QSI”), to Calvary Fund 1 LP (“Calvary”). As discussed in *Note – 5 Notes Receivable*, The QSI Warrant entitles the holder to purchase 45,053 shares of the QSI common stock, par value \$0.00001 per share, at an exercise price of \$3.1336 per share. In consideration of the assignment of the Warrant, Calvary forgives the Company from the principal and interest owing under the Calvary \$150,000 promissory note dated August 31, 2021.

On November 9, 2021, the Company completed its acquisition (the “Acquisition”) of all of the assets, including intellectual property assets, relating to Mioxal®, a nutraceutical complex composed of essential amino acids, natural coenzymes and minerals, held by ST BioSciences, Ltd., a company organized under the laws of England and Wales (“STB”). The Acquisition was completed pursuant to the terms of the Amended and Restated Asset Purchase Agreement dated November 5, 2021 (the “Asset Purchase Agreement”) described in the Company’s Current Report on Form 8-K, filed with the Securities and Exchange Commission (the “SEC”) on November 8, 2021 (the “November 8th Current Report”). As consideration for the Acquisition, the Company issued 19,831,623 shares of Common Stock to STB, which at the closing of the Acquisition represented approximately 70% of the Company’s outstanding shares of Common Stock on a fully-diluted basis. The closing of the Acquisition contemplated by the Asset Purchase Agreement on November 5, 2021, resulted in a change of control of the Company. As part of the Acquisition, Mr. Orr, stepped down as the Company’s Chief Executive Officer and assumed the role of the Company’s Interim Chief Financial Officer, a position he agreed to maintain for a period of at least six months. Mr. Orr will remain a director of the Company. Pursuant to the terms of the Asset Purchase Agreement, Jeffrey J. Kraws was appointed as the Company’s Chief Executive Officer and a director of the Company. In addition, the Company agreed to appoint Jason Frankovich as a director of the Company subject to the Company’s compliance with Rule 14f-1 of the Exchange Act.

On November 24, 2021, the Company entered into, and consummated the financing contemplated by, that certain Series B-1 Purchase Agreement between the Company and L1 Capital Opportunities Master Fund Ltd. (“L1 Capital”), pursuant to which the Company issued and sold to L1 Capital 2,694,514 shares of its Series B-1 Preferred at a per share price of \$0.742245, or \$2,000,000 in the aggregate.

Pursuant to the terms of the respective purchase agreements with LPC and L1 Capital, each of LPC and L1 Capital agreed, for a period of 180 days following the final closing of such transaction, not to offer, sell, contract to sell, pledge, hypothecate, grant any option, right or warrant for the sale of, purchase any option or contract to sell, sell any option or contract to purchase, or otherwise encumber, dispose of or transfer, or grant any rights with respect to, directly or indirectly, any shares of Series B-1 Preferred or any shares of the Company’s common stock issuable upon conversion of the Series B-1 Preferred. In addition, each of LPC and L1 Capital, along with the holders of the Company’s Series B Preferred Stock has been granted the right (until the earlier of (i) the sixteen (16) month anniversary of the Closing Date or (ii) the listing of the Common Stock on a national securities exchange) to participate in up to 10% of the Company’s future equity or equity-linked financings. Furthermore, the Company granted these stockholders certain piggyback registration rights with respect to the Common Stock issuable upon conversion of the Series B-1 Preferred and Series B Preferred issued to such stockholder.

The transactions described above are exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”) pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D of the Securities Act and in reliance on similar exemptions under applicable state laws.

The Company has evaluated all other events occurring subsequently to these financial statements through December 10, 2021 and determined there were no other items to disclose.

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**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

**DISCLOSURE CONTROLS AND PROCEDURES**

Under the supervision and with the participation of our management, consisting solely of our President, who is our principal executive officer and principal financial officer, we are responsible for conducting an evaluation of the effectiveness of the design and operation of our internal controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of the end of the fiscal year covered by this report. Disclosure controls and procedures means that the material information required to be included in our Securities and Exchange Commission ("SEC") reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to our company, including any consolidating subsidiaries, and was made known to us by others within those entities, particularly during the period when this report was being prepared. Based on this evaluation, our principal executive officer and principal financial officer concluded as of the evaluation date that our disclosure controls and procedures were not effective as of August 31, 2021 as a result of material weaknesses in our internal control over financial reporting described below.

**MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

As of August 31, 2021, management, consisting solely of our President, who is our principal executive officer and principal financial officer, assessed the effectiveness of our internal control over financial reporting. The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the Company's President, who is our principal executive officer and principal financial officer, and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of our assets;
- Provide reasonable assurance our transactions are recorded as necessary to permit preparation of our financial statements in accordance with GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statement.

In evaluating the effectiveness of our internal control over financial reporting, our management used the criteria set forth by the 2013 version of Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework. Based on that evaluation, completed only by Timothy Orr, our President and Chief Executive Officer, and a director, who also serves as our principal financial officer and principal accounting officer, Mr. Orr 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: (i) lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; (ii) inadequate segregation of duties consistent with control objectives; and (iii) ineffective controls over period end financial disclosure and reporting processes. The aforementioned material weaknesses were identified by our President, who also serves as our principal financial officer and principal accounting officer, in connection with the review of our financial statements as of August 31, 2021.

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. If we have sufficient funds and are able to hire additional personal, we plan to implement additional oversight and monitoring procedures to our internal controls in the second quarter of 2021.

**CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING.**

There were no changes in the Company's internal control over financial reporting that occurred during the year ended August 31, 2021 that have materially affected, or that are reasonably likely to materially affect, the Company's internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION.**

None.

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**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Our executive officers and directors and their respective ages as of the date of filing of this Annual Report on Form 10-K are as follows:

| <u>Name</u> | <u>Age</u> | <u>Positions</u> |
|-------------|------------|------------------|
|-------------|------------|------------------|

|                  |    |  |
|------------------|----|--|
| Jeffrey J. Kraws | 57 | Chief Executive Officer and Director         |
| Timothy S. Orr   | 50 | Interim Chief Financial Officer and Director |
| Jason Frankovich | 46 | Director                                     |

#### **Jeffrey J. Kraws, Chief Executive Officer and Director**

Mr. Kraws has served as a member of the board of directors of Synthetic Biologics, Inc. since January of 2006, and was appointed independent, non-executive Chairman of the Board that company in May 2012. Since 2003, Mr. Kraws has served as Chief Executive Officer and co-founder of Crystal Research Associates and CRA Advisors, and since February 2012, he has served as partner and co-founder of TopHat Capital, LLC. From August 2016 through January 2021, Mr. Kraws served as the Co-President of Ra Medical Systems Inc. (NYSE: RMED), a medical device company. Mr. Kraws is a partner at Grannus Securities Pty Ltd. (an Australian based private equity fund) since November 2015. Mr. Kraws is a partner of PDK Healthcare Innovations LLC. He also consults and assists in management of private companies through his private practice. Well-known and respected on Wall Street, Mr. Kraws has received some of the most prestigious awards in the industry. Among other awards, he was given a "5-Star Rating" in 2001 by Zacks and was ranked the number one analyst among all pharmaceutical analysts for stock performance in 2001 by Starmine.com. Prior to founding Crystal Research Associates, Mr. Kraws served as co-president of The Investor Relations Group (IRG), a firm representing primarily under-followed, small-capitalization companies. Previously, Mr. Kraws served as a managing director of healthcare research for Ryan Beck & Co. and as director of research/senior pharmaceutical analyst and managing director at Gruntal & Co., LLC (prior to its merger with Ryan Beck & Company). Mr. Kraws served as managing director of the healthcare research group and senior pharmaceutical analyst at First Union Securities (formerly EVEREN Securities); as senior U.S. pharmaceutical analyst for the Swedish-Swiss conglomerate Asea Brown Boveri; and as managing director and president of the Brokerage/Investment Banking operation of ABB Aros Securities, Inc. He also served as senior pharmaceutical analyst at Nationsbanc Montgomery Securities, BT Alex Brown & Sons, and Buckingham Research. Mr. Kraws also has industry experience, having been responsible for competitive analysis within the treasury group at Bristol-Myers-Squibb Company. During 2006 through February of 2007, Mr. Kraws served as Vice President of Business Development at Synthetic Biologics, Inc., on a part-time basis. Since December 2013, Mr. Kraws serves on the board of directors of Avivagen Inc. (TSX:VIV). He holds an M.B.A. from Cornell University and a B.S. degree from State University of New York — Buffalo. Mr. Kraws brings a strong business background to us, having worked as a pharmaceutical analyst for over 22 years.

Mr. Kraws brings to the Board significant strategic, business and financial experience related to the business and financial issues facing pharmaceutical companies. Mr. Kraws has a broad understanding of the operational, financial and strategic issues facing pharmaceutical companies. His healthcare experience, executive and leadership experience further qualify him as a member of the Board.

#### **Timothy S. Orr, Director and Former President, Secretary, Treasurer, and Interim CFO**

Timothy S. Orr has served as our President and a director since October 9, 2017. He has also served as Secretary and Treasurer since February 28, 2018. On November 5, 2021, Mr. Orr resigned as President, Secretary and Treasurer. Mr. Orr will remain as a director. Mr. Orr has also agreed to serve as the Company's Interim Chief Financial Officer for a period of at least six months following the closing of the Acquisition. Mr. Orr has over 20 years of legal, business and public and private company experience. Mr. Orr's law practice focuses on business formation and financing tailored to small and medium size companies. Mr. Orr has acted as outside counsel for publicly traded companies as well as private companies seeking equity financing for the expansion of their business. Additionally, since 2004, Mr. Orr has owned and operated Jameson Capital, LLC, a business development consulting services company. In 1994, Mr. Orr obtained a BA in Biology from Whitworth University, and in 1998, he obtained a JD from Gonzaga School of Law. Mr. Orr's background as a lawyer and desire to participate in the management of Gridiron BioNutrients, led to our conclusion that he should serve as a director in light of our business and structure.

#### **Jason Frankovich, Chairman of the Board of Directors**

Mr. Frankovich has served as Founder and principal executive of ST Labs, a holding company for innovative biotech companies and cannabis sector companies where he oversaw operations and business development since 2012. ST lab's portfolio included:

- ST BioSciences, a Biotech company designing novel molecules in synthetic schedule 1 space, with a focus on indications with unmet needs such as fibromyalgia, withdrawal and PTSD.
- ST Brands, a CBD consumer goods company which manages the full supply cycle from concept design to owning actual brick and mortar.
- ST Therapeutics, a Biotech company with a portfolio of innovative technologies and phase 2 trials focusing on stem cells, and a library of venom and toxin novel molecules.
- ST Agrotech, an agricultural company that focuses on new methods of vertical farming for nutrient dense vegetation. The company also has a vast portfolio of cannabis assets ranging from EUGMP facilities to patents on medicinal plant-based therapies.

From 2008 to 2013, Mr. Frankovich served as partner at Atlas Investments. Atlas was focus was project finance in the Real Estate and development sector. The company financed ground up development projects both domestically and internationally. The projects ranging from hotels, multi family, to community development and commercial strip malls.

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**TERM OF OFFICE**

All directors hold office until the next annual meeting of the stockholders of the Company and until their successors have been duly elected and qualified. The Company's Bylaws provide that the Board of Directors will consist of no less than three members. Officers are elected by and serve at the discretion of the Board of Directors.

**DIRECTOR INDEPENDENCE**

During the fiscal year ended August 31, 2021, our board of directors was composed of one member, and such member did not qualify as independent directors in accordance with the published listing requirements of the NASDAQ Global Market (the Company has no current plans to list on the NASDAQ Global Market or other national securities exchange). The NASDAQ independence definition includes a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director, nor any of his family members has engaged in various types of business dealings with us. In addition, our board of directors has not made a subjective determination as to our director that no relationships exist which, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, though such subjective determination is required by the NASDAQ rules. Had our board of directors made these determinations, our board of directors would have reviewed and discussed information provided by our director and us with regard to our director's business and personal activities and relationships as they may relate to us and our management.

**AUDIT COMMITTEE AND AUDIT COMMITTEE FINANCIAL EXPERT**

The company does not have an audit committee financial expert serving on an audit committee. In the future, the company may seek to retain an audit committee financial expert provided the company has the resources to accomplish this task.

**COMPENSATION COMMITTEE**

The company currently does not have a standing compensation committee or committee performing similar functions. The Board currently performs the functions normally undertaken by these committees. Provided the company can secure adequate resources and personnel, in the future the board may nominate a compensation committee. There are no employment agreements by and between the current officer and director.

**EMPLOYMENT AGREEMENTS**

We have no written employment agreement with our current officers and directors.

**INDEMNIFICATION AGREEMENTS**

Timothy S. Orr, our Interim Chief Financial Officer and a director has entered into an Indemnification Agreement dated October 9, 2017, with the Company, pursuant to which the Company agreed to indemnify him for claims against each of them that may arise in connection with the performance of his duties as an officer or director for the Company.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities, file reports of ownership and changes in ownership with the SEC. Executive officers, directors and greater-than-ten percent stockholders are required by SEC regulations to furnish us with all Section 16(a) forms they file. Based on our review of filings made on the SEC website, and the fact of us not receiving certain forms or written representations from certain reporting persons that they have complied with the relevant filing requirements, we believe that, during the year ended August 31, 2021, our executive officers, directors and greater-than-ten percent stockholders complied with all Section 16(a) filing requirements.

**STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

We have not implemented a formal policy or procedure by which our stockholders can communicate directly with our Board of Directors. Nevertheless, every effort has been made to ensure that the views of stockholders are heard by the Board of Directors or individual directors, as applicable, and that appropriate responses are provided to stockholders in a timely manner. We believe that we are responsive to stockholder communications, and therefore have not considered it necessary to adopt a formal process for stockholder communications with our Board. During the upcoming year, our Board will continue to monitor whether it would be appropriate to adopt such a process.

**CODE OF ETHICS**

The Company has not adopted a code of ethics that applies to its principal executive officers, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

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**ITEM 11. EXECUTIVE COMPENSATION**

**SUMMARY COMPENSATION TABLE**

| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$)* | Option Awards (\$)* | Non-Equity Incentive Plan Compensation (\$) | Nonqualified Deferred Compensation (\$) | All Other Compensation(\$) | Total (\$) |
|-----------------------------|------|-------------|------------|--------------------|---------------------|---|---|----------------------------|------------|
| Timothy Orr                 | 2021 | 0           | 0          | 0                  | 0                   | 0   | 0                                       | 73,000                     | 73,000     |
|                             | 2020 | 0           | 0          | 0                  | 0                   | 0   | 0                                       | 69,900                     | 69,900     |

**Option Grants**

The following table provides information concerning unexercised stock options, stock that has not vested and equity incentive plan awards for our named executive officer outstanding as of August 31, 2021:

| Name        | Option Awards   |   |   |                            |                        | Stock Awards  |  |   |  |
|-------------|---|---|---|----------------------------|------------------------|---|--|---|--|
|             | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$) |
| Timothy Orr | 0   | 0   | 0   | \$ 0                       | N/A                    | 0   | 0  | 0   | 0  |

**Option Exercises and Fiscal Year-End Option Value Table.**

There were no stock options exercised by the named executive officers as of the end of the fiscal period ended August 31, 2021.

**Long-Term Incentive Plans and Awards**

There were no awards made to a named executive officer, under any long-term incentive plan, as of the end of the fiscal period ended August 31, 2021.

**Other Compensation**

There are no annuity, pension or retirement benefits proposed to be paid to officers, directors, or employees of our company in the event of retirement at normal retirement date as there was no existing plan as of the end of the fiscal year ended August 31, 2021, and through the date of filing of this Annual Report on Form 10-K, provided for or contributed to by our company.

**DIRECTOR COMPENSATION**

The following table sets forth director compensation as of August 31, 2021, as our director(s) are not entitled to receive compensation for serving on the board.

| Name        | Fees Earned or Paid in Cash (\$) | Stock Awards (\$) | Option Awards (\$) | Non-Equity Incentive Plan Compensation(\$) | Nonqualified Deferred Compensation Earnings (\$) | All Other Compensation(\$) | Total (\$) |
|-------------|----------------------------------|-------------------|--------------------|--|--|----------------------------|------------|
| Timothy Orr | 0                                | 0                 | 0                  | 0  | 0  | 0(1)                       | 0(1)       |

(1) Excludes executive compensation.

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

The following table lists, as of the date of this Form 10-K, the number of shares of common stock of our Company that are beneficially owned by (i) each person or entity known to our Company to be the beneficial owner of more than 5% of the outstanding common stock; (ii) each officer and director of our Company; and (iii) all officers and directors as a group. Information relating to beneficial ownership of common stock by our principal shareholders and management is based upon information furnished by each person using "beneficial ownership" concepts under the rules of the Securities and Exchange Commission. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to vote or direct the voting of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the Securities and Exchange Commission rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary beneficial interest. Except as noted below, each person has sole voting and investment power.

The percentages below are calculated based on 20,020,239 shares of our common stock issued and outstanding as of the date of this Form 10-K. We do not have any outstanding warrant, options or other securities exercisable for or convertible into shares of our common stock.

| Name and address (1)  | Amount<br>and Nature<br>of<br>Beneficial<br>Ownership | Percentage<br>of<br>Outstanding<br>Shares (2) |
|---|---|---|
| <b>5% or greater owners</b>                                 |   |   |
| <b>Director and executive officers</b>                      |   |   |
| ST BioSciences, Ltd.  |   |   |
| 14 Wall Street, 20 <sup>th</sup> Floor                      |   |   |
| New York, New York 10005                                    |   |   |
|   | 19,831,623  | 99.057%                                       |
| Timothy S. Orr (3)  | 86,811  | 0.433%  |
| Jeffery J. Kraws (4)  | 1,289,056   | 6.438%  |
| Jason Frankovich (5)  | 19,831,623  | 99.057%                                       |
| All directors and effective officers as a group (3 Persons) | _19,918,434   | _ 99.491%                                     |

- (1) Unless otherwise notes, the address for each person listed in the table above is 6991 East camelback Road, suite D-300, Scottsdale, Arizona 85251.
- (2) Based on 20,020,239 shares outstanding on the Record Date. The number of shares of Common Stock owned are those "beneficially owned" as determined under the rules of the Securities and Exchange Commission, including any shares of Common Stock as to which a person has sole or shared voting or investment power and any shares of Common Stock which the person has the right to acquire within sixty (60) days through the exercise of any option, warrant or right.
- (3) Timothy S. Orr is the former Chief Executive Officer of the Company and currently serves as the Company's Interim Chief Financial Officer and a member of the Board.
- (4) Jeffery J. Kraws is the Chief Executive Officer of STB and owns 6.5% of the issued and outstanding ordinary shares of STB (which represents an indirect ownership of 1,289,056 shares of Common Stock). On November 9, 2021, Mr. Kraws was appointed as the Chief Executive Officer of the Company and a member of the Board.
- (5) Mr. Frankovich is the Chairman of STB and owns 59% of the issued and outstanding ordinary shares of STB and, as such, is deemed to beneficially own the 19,831,623 shares of Common Stock owned by STB. Mr. Frankovich disclaims beneficial ownership of 8,130,965 shares of Common Stock. Mr. Frankovich will be appointed as a member of the Board within 10 days following the mailing of this Information Statement.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

During the years ended August 31, 2021 and 2020, we paid Timothy Orr, our interim CFO and director, \$73,000 and 69,900, respectively. During the years ended August 31, 2021 and 2020, we owed Mr. Orr, \$64,600 and \$73,469, respectively. The monies owed represent unpaid compensation and reimbursements for business expenses.

At the Closing of the Acquisition, the Company made a payment to Mr. Orr in the aggregate amount of \$151,930.00 in respect of the following: (a) \$43,930 in full satisfaction of a loan made to Company by Mr. Orr; and (b) \$108,000 in full satisfaction of all payment and other obligations of Company to Mr. Orr pursuant to that certain employment offer letter between the Company and Mr. Orr dated August 1, 2021 (which agreement shall be deemed terminated upon the Closing of the Acquisition).

Mr. Kraws owns approximately 6.5% of the issued and outstanding ordinary shares of STB, and Mr. Frankovich owns approximately 59% of the issued and outstanding ordinary shares of STB. As a result of the Acquisition, STB was issued 19,831,623 shares of Common Stock which represented approximately 70% of the Company's outstanding shares of common stock on a fully diluted basis as of the closing of the transaction.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

For the years ended August 31, 2021 and 2020, the total fees charged to the company for audit services, including quarterly reviews were \$39,243 and \$34,114, and total fees charged for tax services and other services were \$1,540 and \$1,000, respectively.

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**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE**

(a) The following Exhibits, as required by Item 601 of Regulation SK, are attached or incorporated by reference, as stated below.

| No.                   | Exhibit Description   | Incorporated by Reference |            |        | Filed or Furnished Herewith |
|-----------------------|---|---------------------------|------------|--------|-----------------------------|
|                       |   | Form                      | Date Filed | Number |                             |
| <a href="#">3.1.1</a> | <a href="#">Articles of Incorporation</a>   | S-1                       | 4/13/2015  | 3.1    |                             |
| <a href="#">3.1.2</a> | <a href="#">Certificate of Amendment</a>  | 10-K                      | 12/15/2017 | 3.1.2  |                             |
| <a href="#">3.1.3</a> | <a href="#">Certificate of Amendment</a>  | 8-K                       | 2/21/2018  | 3.1.1  |                             |
| <a href="#">3.1.4</a> | <a href="#">Certificate of Amendment</a>  | 8-K                       | 8/16/2018  | 3.1.1  |                             |
| <a href="#">3.1.5</a> | <a href="#">Certificate of Amendment</a>  | 8-K                       | 8/16/2018  | 3.1.2  |                             |
| <a href="#">3.1.6</a> | <a href="#">Certificate of Designation</a>  | 8-K                       | 8/16/2018  | 3.1.3  |                             |
| <a href="#">3.1.7</a> | <a href="#">Certificate of Correction</a>   | 8-K                       | 8/16/2018  | 3.1.4  |                             |
| <a href="#">3.1.8</a> | <a href="#">Amendment to Amended and Restated Certificate of Designations, Preferences and Rights of the Series B Convertible Preferred Stock</a>                   | 8-K                       | 11/24/2021 | 3.1    |                             |
| <a href="#">3.2</a>   | <a href="#">Bylaws</a>  | S-1                       | 4/13/2015  | 3.2    |                             |
| <a href="#">3.2.1</a> | <a href="#">Amendment to Certificate of Designations, Preferences and Rights of the Series B-1 Convertible Preferred Stock</a>                                      | 8-K                       | 11/24/2021 | 3.2    |                             |
| <a href="#">4.1</a>   | <a href="#">Securities Purchase Agreement &amp; Warrants Dated July 30, 2018</a>  | 10-K                      | 12/14/2020 | 4.1    |                             |
| <a href="#">10.1</a>  | <a href="#">Supply Agreement, Notis Global, Inc. November 27, 2019</a>  | 10-K                      | 12/14/2020 | 10.1   |                             |
| <a href="#">10.2</a>  | <a href="#">Toll Processing Agreement, Syndicate Oil, November 26, 2019</a>   | 10-K                      | 12/14/2020 | 10.2   |                             |
| <a href="#">10.3</a>  | <a href="#">Collaboration Agreement, Notis Global, Inc. January 24, 2020</a>  | 10-K                      | 12/14/2020 | 10.3   |                             |
| <a href="#">10.4</a>  | <a href="#">Calvary Convertible Note Dated August 27, 2019</a>  | 10-K                      | 12/14/2020 | 10.4   |                             |
| <a href="#">10.5</a>  | <a href="#">Calvary Convertible Note Dated November 25, 2019</a>  | 10-K                      | 12/14/2020 | 10.5   |                             |
| <a href="#">10.6</a>  | <a href="#">Calvary Convertible Note Dated January 27, 2020</a>   | 10-K                      | 12/14/2020 | 10.6   |                             |
| <a href="#">10.7</a>  | <a href="#">Calvary Convertible Note Dated April 27, 2020</a>   | 10-K                      | 12/14/2020 | 10.7   |                             |
| <a href="#">10.8</a>  | <a href="#">Exchange Agreement dated April 9, 2021 by and between Gridiron BioNutrients, Inc. and Cavalry Fund Management, LLP</a>                                  | 8-K                       | 4/12/2021  | 10.1   |                             |
| <a href="#">10.9</a>  | <a href="#">Series B1 Preferred Stock Financing Agreement dated September 7, 2021 by and between Gridiron BioNutrients, Inc. and Lincoln Park Capital Fund, LLP</a> | 8-K                       | 9/7/2021   | 10.1   |                             |
| <a href="#">10.10</a> | <a href="#">Definitive Asset Purchase Agreement with ST Biosciences, Ltd Dated November 5, 2021</a>   | 8-K                       | 10/28/2021 | 10.1   |                             |
| <a href="#">10.11</a> | <a href="#">Lock-up/Leak-Out Agreement Dated November 9, 2021</a>   | 8-K                       | 11/09/2021 | 10.1   |                             |
| <a href="#">10.12</a> | <a href="#">Series B-1 Purchase Agreement, dated November 24, 2021, by and between Gridiron BioNutrients, Inc. and L1 Capital Opportunities Master Fund Ltd.</a>    | 8-K                       | 11/24/2021 | 10.1   |                             |
| <a href="#">21.1</a>  | <a href="#">Subsidiaries of the Registrant</a>  |                           |            |        |                             |
| <a href="#">31.1</a>  | <a href="#">Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  |                           |            |        | Filed                       |
| <a href="#">31.2</a>  | <a href="#">Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  |                           |            |        | Filed                       |
| <a href="#">32.1</a>  | <a href="#">Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>              |                           |            |        | Filed                       |
| 101.INS               | XBRL Instance Document  |                           |            |        | Filed                       |
| 101.SCH               | XBRL Taxonomy Extension Schema Document   |                           |            |        | Filed                       |
| 101.CAL               | XBRL Taxonomy Extension Calculation Linkbase Document   |                           |            |        | Filed                       |
| 101.DEF               | XBRL Taxonomy Extension Definition Linkbase Document  |                           |            |        | Filed                       |
| 101.LAB               | XBRL Taxonomy Extension Label Linkbase Document   |                           |            |        | Filed                       |
| 101.PRE               | XBRL Taxonomy Extension Presentation Linkbase Document  |                           |            |        | Filed                       |

**ITEM 16. FORM 10-K SUMMARY**

None.

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**SIGNATURES**

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

**GRIDIRON BIONUTRIENTS, INC.**

Date: December 10, 2021

By: /s/ Timothy Orr  
Name: Timothy Orr  
Title: Interim Chief Financial Officer and director

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

| <u>Name</u>                                     | <u>Positions</u>  | <u>Date</u>       |
|---|---|-------------------|
| <u>/s/ Timothy Orr</u><br>Timothy Orr           | Interim Chief Financial Officer and Director,<br>principal financial and accounting officer | December 10, 2021 |
| <u>/s/ Jeffery J. Kraws</u><br>Jeffery J. Kraws | Chief Executive Officer and Director<br>principal executive officer                         | December 10, 2021 |