Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

PetroSun, Inc.

A Nevada Corporation

2999 North 44th Street, Suite 620
Phoenix, AZ 85018

480-425-4290
www.petrosun.us
info@petrosun.us

SIC: 51729902

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

As of December 31, 2019, the number of shares outstanding of our Common Stock was: 318,630,750

As of September 30, 2019, the number of shares outstanding of our Common Stock was: 316,730,750

As of December 31, 2019, the number of shares outstanding of our Common Stock was: 318,630,750

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

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

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

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

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

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

LeBlanc Petroleum, Inc, a private Arizona corporation organized November 23, 2001 was a predecessor entity which merged with the Company on December 1, 2001.

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The name of the Issuer is PetroSun, Inc. The Company was organized in the state of Nevada on June 20, 2001 as JBO, Inc. On December 1, 2001, JBO, Inc. merged with LeBlanc Petroleum, Inc., a private Arizona corporation and changed its name to LeBlanc Petroleum, Incorporated and then on August 31, 2005 changed its name to PetroSun Drilling, Inc. and finally on August 8, 2006 changed its name to PetroSun, Inc. and is currently active.

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

Yes: ☐ No: ☒

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

N/A

2) Security Information

Trading symbol:	PSUD
Exact title and class of securities outstanding:	Common Stock
CUSIP:	716766108
Par or stated value:	$0.001

Total shares authorized:	500,000,000	as of date: December 31, 2019
Total shares outstanding:	318,630,750	as of date: December 31, 2019
Number of shares in the Public Float[2]:	68,889,436	as of date: December 31, 2019
Total number of shareholders of record:	124	as of date: December 31, 2019

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

None

Transfer Agent

Name: Sedona Equity Registrar & Transfer, Inc
Phone: 602-620-1554
Email: salli.marinov@sedonaequity.com

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

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

None

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

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

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

On May 16, 2018 the Company organized TorusMed, Inc. and its subsidiary TorusAg, Inc. both Delaware Corporations. Upon incorporation TorusMed, Inc issued 58,297,150 common shares of its stock with a par value of $58,297 to the Company to obtain intangible assets in the form of licenses and agreements generic to its business held by the Company. On June 11, 2018 the Company announced its intent to spin-off Torus Med, Inc. and distribute those shares to the Company's shareholders of record as of June 15, 2018 on a 5-to-1 ratio. For every five shares of PetroSun stock owned by our shareholders they will receive one share of the TorusMed stock currently owned by the Company. The completion of the spin-off is expected to take place during the year 2020

On September 25, 2018, the Company approved the spin-off of its wholly-owned subsidiary Torus TechWorks, Inc. and distribution of outstanding shares to the Company's shareholders of record as of October 25, 2018 on a 5-to-1 ratio. The spin-off has not yet been completed.

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares

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

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date December 31, 2017 Common: 268,598,750 Preferred: Zero			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g. new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
June 13, 2018	New issuance	250,000	Common	$0.0274	Yes	Raymond G. Bailey	Officer Compensation	Restricted	Rule 144
June 13, 2018	New issuance	5,000,000	Common	$0.0274	Yes	Quantum-Jole LLP[1]	Acquisition of property lease	Restricted	Rule 144
June 13, 2018	New issuance	5,000,000	Common	$0.0274	Yes	Timothy D. and Lea Phillips	Acquisition of property lease	Restricted	Rule 144

June 13, 2018	New issuance	2,237,000	Common	$0.01	Yes	Don Meyers	Debt conversion	Restricted	Rule 144
June 13, 2018	Reissuance	400,000	Common	$0.00	No	Stuart Epstein	TA Error correction	Restricted	Rule 144
June 15, 2018	New issuance	10,000,000	Common	$0.20	Yes	Golden Eagle[2]	Acquisition of property lease	Restricted	Rule 144
October 23, 2018	Reissuance	245,000	Common	$0.00	No	Jeffrey Epstein	TA Error correction and cash	Restricted	Rule 144
October 24, 2018	New issuance	25,000,000	Common	$0.20	No	M&M Production & Operations[3]	Acquisition of Affiliate	Restricted	Rule 144
October 10, 2019	Reissuance	400,000	Common	$0.00	No	Robert Epstein	TA Error correction	Restricted	Rule 144
October 10, 2019	New issuance	500,000	Common	$0.20	No	Grant William Evans	Acquisition of Property Lease	Restricted	Rule 144
December 2, 2019	New issuance	1,000,000	Common	$0-45	No	Grant William Evans	Acquisition of Property Lease	Restricted	Rule 144
Shares Outstanding on Date of This Report: Ending Balance Ending Balance: Date December 31, 2019 Common: 318,630,750 Preferred: N/A									

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

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

1. Controlled by Chris Sumner
2. Majority owned by the Company
3. Majority owned by the Company

B. Debt Securities, Including Promissory and Convertible Notes

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

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

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

August 16, 2019	$739,798	$559,418	$180,381	August 16, 2020	None	Gordon M LeBlanc, Jr[1]	Loan
August 16, 2019	$80,876	$63,573	$17,303	August 16, 2020	None	Gordon M LeBlanc, Jr[1]	Loan
March 22, 2019	$942,979	$921,468	$21,511	March 22, 2022	None	Gordon M LeBlanc, Jr[1]	Loan
May 31, 2022	$632,196	$621,267	$10,929	May 31, 2022	None	Gordon M LeBlanc, Jr[1]	Loan
July 31, 2022	$329,087	$325,000	$4087	July 31, 2022	None	Gordon M LeBlanc, Jr[1]	Loan

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

1. Company CEO

4) Financial Statements

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

☒ U.S. GAAP
☐ IFRS

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

Name: Don D Meyers
Title: Accountant
Relationship to Issuer: Contract Accountant

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

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

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

The Issuer has provided the above financial statements for the year ending December 31, 2019 and are included herein as Exhibit 1.

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

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

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

5) Issuer's Business, Products and Services

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

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

The Company is engaged in the business of oil, natural gas, helium and lithium exploration, production, processing and distribution. As of the date of this report, the Company has acquired oil and gas operating leases on approximately 218,066.58 acres in the Holbrook Basin of Arizona and 41,365.49 acres within specific targeted areas of McKinley, San Juan, Socorro and Valencia counties in New Mexico. The Company has included the Holbrook Basin property in a Joint Operating Agreement with Arizona Energy Partners, LLC (AEP) who has raised $1,500,000 to implement exploration and development of the leases. The Company continues to seek opportunities to expand its interest in oil and gas properties, exploration and production tools and technologies and has accordingly organized or acquired interest in thirteen affiliates and subsidiaries.

<u>Navajo County, Arizona</u>
On August 16, 2016, the Company (Lessee) executed a six (6) year lease agreement dated October 27, 2015 covering approximately 186,473 acres in Navajo County, Arizona with NZ Legacy LLC (Lessor). The lease was executed with a payment in the amount of $559,418 made on behalf of the Company by Gordon M. LeBlanc, Jr. President and CEO. The Lease provided for other valuable consideration in the form of production royalties. The Company will receive an eighty-seven and one half percent (87.5%) net revenue interest for all hydrocarbons including oil, helium, natural gas, distillate and condensate with all extraction and production costs being borne by the Company. The Lessor will receive a royalty of twelve and one half percent (12.5%) of all production at the well free of cost and payable in kind or by the purchase of the lessor's share by the lessee at the going market price. The lease will continue after its primary six (6) year term on lands included in a Production Unit upon which is located a producing well or upon which the lessee is actively engaged in a continuous drilling program. The lessee is responsible to provide all appropriate insurance coverage required by law and good management practices.

<u>Coconino County, Arizona</u>
On August 16, 2016, the Company (Lessee) executed a six (6) year lease agreement dated October 27, 2015 covering approximately 21,191.13 acres in Coconino County, Arizona with NZ Legacy LLC (Lessor). The lease was executed with a payment in the amount of $63,574 made on behalf of the Company by Gordon M. LeBlanc, Jr. President and CEO. The Lease provided for other valuable consideration in the form of production royalties. The Company will receive an eighty-seven and one half percent (87.5%) net revenue interest for all hydrocarbons including oil, helium, natural gas, distillate and condensate with all extraction and production costs being borne by the Company. The Lessor will receive a royalty of twelve and one half percent (12.5%) of all production at the well free of cost and payable in kind or by the purchase of the lessor's share by the lessee at the going market price. The lease will continue after its primary six (6) year term on lands included in a Production Unit upon which is located a producing well or upon which the lessee is actively engaged in a continuous drilling program. The lessee is also responsible to provide all appropriate Insurance coverage required by law and good management practices.

<u>Apache County, Arizona</u>
On June 9, 2016, the Company acquired 4,859.84 acres of Arizona State Land Department leases from John Somers for $55,509.18 with a net revenue interest of eighty-two and one half percent (82.5%). On October 19, 2016, the Company acquired a farm-out of 4,261.47 acres of Arizona State Land Department leases from United Helium, Inc. with a net revenue interest of eighty (80%) percent. On November 22, 2016 the Company's subsidiary Arizona Energy Partners, LLC acquired 1,281.64 privately owned acres from HNZ Holding, LLC for $6,408.20 with a net revenue interest of eighty (80%) percent.

McKinley, San Juan, Socorro and Valencia Counties, New Mexico
On March 8, 2018 the Company acquired 41,365.49 acres of Oil, Gas and Helium rights within specific targeted areas of New Mexico for $124,096. The leases provide for a six-year prepaid term with a net revenue interest of 87.5%. Current plans are to drill an initial test well during the fourth quarter of 2018.

Golden Eagle Gas Field in Grand County, Utah
On April 19, 2018 the Company entered into a 90-day Exclusivity Agreement to conduct due diligence investigations on a highly prospective oil and gas project, located in Grand County, Utah. The Agreement includes the option to farm in to the project at the conclusion of due diligence. If the option is exercised, PetroSun will be the Operator and acquire a 70% Net Revenue interest in the project after relevant government and third-party royalties. On June 15, 2018 the Company issued 10,000,000 of its common shares to acquire $130,000 cash bonds held by the State of Utah or the BLM on the Golden Eagle Gas Field.

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

To better understand the full scope of the Company's subsidiaries and affiliated companies, in addition to the information below, please see the Notes to PetroSun's consolidated financial statements attached hereto as Exhibit 1.

Arizona Energy Partners, LLC
A Joint Operating Agreement (JOA) was executed on September 20, 2016, resulting from letters of agreement between various parties leading to the JOA. Within the JOA Arizona Energy Partners, LLC (AEP) is named as the project operator with the responsibility to explore, develop and operate certain oil and gas leases held in the Holbrook Basin of Arizona.

Arizona Energy Partners, LLC was organized in the state of Arizona on December 23, 2015 with the Company as the managing member and holding seventy-two and one-half percent (72.5%) of the LLC. The Company's interest in AEP has been consolidated within its financial statements. The JOA provides for AEP to be the operating entity for the Holbrook Basin properties and bear the costs of exploration, development, production, marketing and product delivery.

AEP has provided funding for the operations thru sale of the unencumbered twelve percent (12%) interest in the project leasehold for $1,500,000 to Rae Ann, LLC. The agreement also provided for an option wherein Rae Ann, LLC could obtain an additional twelve percent (12%) unencumbered interest for an additional $1,500,000 payment. During the first quarter of 2018 an outside investor acquired and exercised the option which provided AEP with a and additional $1,500,000 operating capital with which it funded the drilling of a second test well.

During the fourth (4th) quarter of 2016 AEP began testing several upper zones for helium concentrations in the 17-1 well including the flow testing required by MHA. Completion of the evaluation of the helium resources took place during the first quarter of 2017.

MHA Petroleum Consultants of Denver, Colorado performed a resource evaluation on AEP's first test well and on March 3, 2017 reported the estimated contingent helium resources on 4,000 acres of AEP's leases on the Concho Dome in the Holbrook Basin of Arizona to be 2.29 billion cubic feet. AEP has identified six additional sites on which it intends to drill to mature the contingent helium resources into reserves by the demonstration of commerciality.

AEP holds Oil, Gas and Helium leases in Apache, Navajo and Coconino counties of Arizona containing 218,066.58 acres. AEP obtained three additional drilling permits to continue the process of proving the helium reserves in the Holbrook Basin and is drilling its second well which has been spudded and is expected to be complete during the second quarter of 2018.

AEP has executed a lease agreement for a commercial building on 2.89 acres in Farmington, New Mexico and will be the field headquarters for the Four Corners operations for AEP and PetroSun operations. The Farmington yard will be the base of the newly acquired Crown Duke CE750 drilling rig rated to 10,000 feet. The Spencer Harris 3500 drilling rig and 25,000 feet of casing and tubing will be moved from the Snowflake, Arizona yard to Farmington.

On December 28, 2018, the Company through its subsidiary AEP executed a Liquid Helium Supply Agreement with Uniper Global Commodities North America LLC to acquire helium molecules produced and processed by AEP from its gas field operations in the Paradox Basin, Grand County, Utah. AEP will process the helium concentration in its helium processing plant to be commissioned on or before April 30, 2020.

United Gas of North America, LLC
On May 11, 2017, the Company acquired fifty percent (50%) of Noble Gas Partners, LLC a Delaware limited liability Company for a stated value of $2,700,000 with the issue of 18,000,000 common shares. On the date of acquisition the Company's shares traded at $0.04 per share so the Company recorded the acquisition at $720,000, the market value of the stock. On the date of acquisition the two companies organized United Gas of North America, LLC an Arizona limited liability Company with both companies as equal members. United Gas of North America, LLC will engage in the transportation and distribution of helium.

PetroSun Energy Services, LLC
On July 11, 2017, the Company acquired the remaining fifty percent (50%) interest in Crosskeys Equipment, LLC an Arizona limited liability Company from Crosskeys Energy Services, LLC a Delaware limited liability Company with the issue of warrants that can be exercised within two years to purchase 5,000,000 of the Company's common shares at $0.15 per share. Using the Black-Sholes valuation method the 5,000,000 warrants were valued at $115,293 the amount used by the Company to record the purchase. The Company already owned fifty percent (50%) of Crosskeys Equipment, LLC which was organized in the State of Arizona on August 17, 2015. On the date of acquisition Crosskeys Equipment, LLC was renamed PetroSun Energy Services, LLC and will engage in the energy equipment and services industry as a wholly owned subsidiary of the Company.

Torus TechWorks, LLC
On July 12, 2017, the Company acquired Torus TechWorks, LLC (Torus) a Delaware limited liability Company with the issue of 10,000,000 common shares of stock at the market price of $0.026 per share or $260,000 and 10,000,000 warrants that can be exercised within eighteen (18) months to purchase one share of the Company's common stock at a price of $0.20 per share. Using the Black-Sholes valuation method the warrants were valued at $202,311 for a total amount of $462,311 used by the Company to record the purchase.

On May 16, 2018 the Company organized TorusMed, Inc. and its subsidiary TorusAg, Inc. both Delaware Corporations. Upon incorporation TorusMed, Inc issued 29,148,575 common shares of its stock with a par value of $29,149 to the Company to obtain intangible assets in the form of licenses and agreements generic to its business held by the Company. On June 11, 2018 the Company announced its intent to spin-off Torus Med, Inc. and distribute those shares to the Company's shareholders of record as of June 15, 2018 on a 5-to-1 ratio. For every five shares of PetroSun stock owned by our shareholders they will receive one share of the TorusMed stock currently owned by the Company. PetroSun is in the energy sector and has no ongoing synergies with the business of TorusMed.

On September 24, 2018, the Company invested $50,000 through its subsidiary Torus TechWorks Inc. to take an equity position in Organic Transit's Series B round and an option to acquire the full offering. Organic Transit filed for Chapter 7 Bankruptcy on June 13, 2019 in the Middle District of North Carolina.

On September 25, 2018, the Company approved the spin-off of its wholly-owned subsidiary Torus TechWorks, Inc. and distribution of outstanding shares to the Company's shareholders of record as of October 25, 2018 on a 5-to-1 ratio. The spinoff has not yet been completed.

PetroSun Lithium, LLC
On August 10, 2017 the Company organized PetroSun Lithium, LLC as a wholly-owned subsidiary to exploit affiliate held technology for the recovery of lithium resources within the United States. Sonoran Dish Energy, LLC and Sonoran CryoDesal, LLC will team with PetroSun Lithium, LLC to set up a plant for the recovery of lithium carbonate from brine water sourced from oil and gas production. A process demonstration plant is expected to be completed during the third quarter of 2018 at the Sonoran Dish Energy/Sonoran CryoDesal research facility in Phoenix, Arizona. On January 4, 2017, the Company executed an exclusive license agreement with Sonoran Dish Energy, LLC and Sonoran CryoDesal, LLC for proprietary technology developed for use in the oil and gas industry. On April 4, 2017 the Company has approved plans for the development of a cryogenic helium processing plant employing technology from Sonoran Dish Energy, LLC and Sonoran CryoDesal in the Holbrook Basin which will be operated by AEP.

Eau Resources, LLC
On March 19, 2018, PetroSun Energy Services, LLC formed a limited joint venture with ELD Resources, LLC (ELD) of Livonia, New York. The Joint venture formed Eau Resources, LLC (Eau) in which PetroSun Energy Services, LLC holds a fifty percent (50%) equity position. Eau Resources, LLC is licensed by ELD to use its patented and patent pending technologies focused on the treatment of industrial waste streams. Eau will exploit treatment of frac water and other waste streams generated by the oil and gas and other industries. During the period ended March 31, 2019, EAU Resources, LLC a PetroSun subsidiary began operations and has produced $171,561 in revenue during its first quarter of operation.

M&M Production & Operation Inc and Independent Pipeline Corporation
On June 1, 2018, the Company was party to a purchase agreement with the sole owner of M&M Production & Operation Inc. (M&M), a New Mexico corporation and Independent Pipeline Corporation, (Independent) a New Mexico corporation collective called (Companies) wherein the Company agreed to purchase the Companies for a purchase price of $5,000,000 cash. Various amendment to the agreement were entered into until on October 24, 2018 the sole owner of the Companies agreed to receive 25,000,000 common shares of PetroSun, Inc. stock valued at $0.20 per share as full payment of the agreed to purchase price. The shares are authorized to be issued on October 24, 2018.

M&M brings the following assets into the Company:

- Sixty-one (61) producing oil and/or gas wells
- 9,480.85 acres of leasehold consisting of Federal, State of New Mexico, Jicarilla Tribal and Navajo Nation properties
- The lease hold contains 5,880.08 acres of Mancos Shale/Gallup SS rights, which include 10 current producing vertical Gallup SS wells and a dual-completion Dakota/Gallup well

- The remaining leasehold contains 51 producing Picture Cliff (PC)/Chara formation natural gas wells with Fruitland Coal PUDs (Proven Undeveloped).
- Three F-250 field trucks, a backhoe, three phase separators and parts inventory

Independent Pipeline Corporation brings the following asset into the Company:

- Twenty-six (26) miles of 4 ½ inch pipeline with a 45 foot right-of-way and a current daily capacity of 12 million cubic feet.

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

Issuer is presently in the research and development stage regarding products and services and their respective markets for period ending December 31, 2019

6) Issuer's Facilities

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

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

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

In addition to properties described in Item 5 above, the Company currently leases two properties. It leases 1,781 square feet of office space at 2999 North 44th Street, Suite 620, Phoenix, AZ. at $3,858.83 per month. The current lease is through August 31, 2018, and has been renewed. Additionally, it leases 5,920 square feet of office and warehouse space at 4000 Monroe Road, Farmington, NM as a field office at a rate of $2,750 per month. The current lease term is from June 1, 2018 through May 31, 20

7) Officers, Directors, and Control Persons

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

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

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Gordon LeBlanc, Jr.	CEO, President, Director	Scottsdale, AZ	143,690,314	Common	45.4%	
Raymond G Bailey	Director	Phoenix, AZ	250,000	Common	.08%	
Noble Gas Partners	More than 5%	Phoenix, AZ	18,000,000	Common	5.68%	Wholly-owned subsidiary of the Company

Torus Tech Works, LLC	More than 5%	Phoenix, AZ	18,000,000	Common	5.68%	Beneficially owned by JBHJ, LLC (Katie Tinnermon Manager

8) Legal/Disciplinary History

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

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

None

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

None

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

None

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

None

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

There are no material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject.

9) Third Party Providers

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

Securities Counsel

Name: Aaron D. McGeary
Firm: The McGeary Law Firm, P.C.
Address 1: 1600 Airport Fwy., Suite 300
Address 2: Bedford, Texas 76022
Phone: 817-282-5885
Email: aaron@mcgearylawfirm.com

Accountant or Auditor

Name: Don D. Meyers
Firm: Don Meyers and Assoc
Address 1: 540 N 970 E
Address 2: Springville, UT 84663
Phone: 801-602-8925
Email: larenadon@gmail.com

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Gordon LeBlanc, Jr., CEO certify that:

1. I have reviewed this annual disclosure statement of PetroSun, Inc.;

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

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

April 14, 2020

/s/ Gordon LeBlanc, Jr.
Gordon LeBlanc, Jr., CEO

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

Exhibit 1

PetroSun, Inc.

Consolidated Balance Sheets

(Unaudited)

	December 31, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash	$ 31,699	$ 33,537
Work in Progress	611,424	467,487
Other Current Assets	54,555	-
Bonds held on proven projects	130,000	130,000
Loans to Affiliates	126,000	-
Prepaid Expenses	2,200	32,807
Total Current Assets	955,878	663,831
Long-Term Assets		
Investment in Affiliates	7,270,416	7,178,780
Equipment (net)	1,088,089	823,293
Intangible Drilling Costs	103,017	93,359
Unproven Gas and Oil Leases	3,726,891	2,850,818
Total Fixed Assets	12,188,413	10,946,250
Total Assets	$ 13,144,291	$ 11,610,081
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts Payable	$ 72,500	$ 69,071
Accrued Expenses	517,794	218,426
Operational Loans	2,956,245	2,115,542
Related Party Note	2,546,235	745,610
Total Liabilities	6,092,774	3,148,649
Stockholders' Equity		
Common Stock, authorized 500,000,000 shares, par value $0.001, issued and outstanding on December 31, 2019 and December 31, 2018 is 318,630,750 and 316,730,750 respectively	318,631	316,731
Paid in Capital	27,009,883	24,557,142
Accumulated Deficit	(20,276,997)	(16,412,441)
Total Stockholders' Equity	7,051,517	8,461,432
Total Liabilities and Stockholders' Equity	$ 13,144,291	$ 11,610,081

The accompanying notes are an integral part of these statements

PetroSun, Inc.

Consolidated Statements of Operations

(Unaudited)

	Twelve Months Ended December 31, 2019	2018
Revenue		
Revenue	$ 175,369	$ -
Cost of Sales	1,216	-
Gross Income/Loss	174,153	-
Operating Expenses		
General and Administrative	523,704	292,313
Accrued Expenses	60,000	66,850
Depreciation and depletion	80,684	51,843
Lease Operating Expense	779,780	1,067,622
Professional Fees	503,329	193,445
Total Expenses	1,947,497	1,672,073
Net Loss from Operations	(1,773,344)	(1,672,073)
Other Income/(Expense)		
Interest Income	-	57
Interest Expense	(1,575,846)	(54,066)
Net Loss before Income Tax	(3,349,190)	(1,726,082)
Income Tax	-	-
Net Income/(Loss)	$ (3,349,190)	$ (1,726,082)
Basic and Diluted (Loss) per Share	$ (0.01)	$ (0.01)
Weighted Average Number of Shares	317,012,394	285,851,331

The accompanying notes are an integral part of these notes

PetroSun, Inc.

Consolidated Statement of Stockholders' Equity
(Unaudited)

Inception June 20, 2001 to December 31, 2019

	Common Stock		Paid in	Accumulated	Total
	Shares	Amount	Capital	Deficit	Equity
Balance, December 31, 2017	268,598,750	268,599	17,250,095	(14,672,009)	2,846,685
Affiliate capital adjustments			615,067	16,376	631,443
Stock issued for officer compensation	250,000	250	6,600	-	6,850
Stock issued for debt settlement	2,237,000	2,237	20,133	-	22,370
Stock issued for acqusitions	45,000,000	45,000	5,359,000	-	5,404,000
Stock issued for cash	245,000	245	1,647	-	1,892
Stock issued for TA Adjustment	400,000	400	(400)	-	-
Affiliate changes in member equity	-	-	1,305,000	-	1,305,000
Net Income/(Loss)				(1,726,082)	(1,726,082)
Balance, December 31, 2018	316,730,750	316,731	24,557,142	(16,381,715)	8,492,158
Options issued for loan incentive	-	-	1,464,254	-	1,464,254
Stock issued for TA Adjustment	400,000	400	(400)	-	-
Stock issued for acqusitions	1,500,000	1,500	548,500	-	550,000
Change of ownership interest adjustment	-	-	438,031	(546,092)	(108,061)
Donatied capital	-	-	2,356	-	2,356
Net Income/(Loss)				(3,349,190)	(3,349,190)
Balance, December 31, 2019	318,630,750	$ 318,631	$ 27,009,883	$ (20,276,997)	$ 7,051,517

The accompanying notes are an integral part of these statements

PetroSun, Inc.

Consolidated Statements of Cash Flows
(Unaudited)

	Year Ended December 31, 2019	2018
Operating Activities		
Net income/(loss)	$ (3,349,190)	$ (1,726,082)
Adjustments to reconcile net (loss) to cash:		
Accrued expense	188,485	60,000
Depreciation	80,684	51,843
Prepaid expense	30,607	(12,046)
Stock issued for compensation	-	29,220
Stock based acqusitions	550,000	5,404,000
Equity Adjustment	(74,979)	
Options issued for loan incentive	1,464,254	-
Other current assets	(54,555)	-
Changes in operating assets and liabilities		
Related party loans	(126,000)	-
Work in Progress	(143,937)	(61,885)
Accounts payable	3,429	37,926
Net Cash (Used) by Operating Activities	(1,431,202)	3,782,976
Investment Activities		
Unproven oil and gas leases	(876,073)	(1,862,870)
Bonds held on proven projects	-	(130,000)
Intangible drilling costs	(9,658)	(8,081)
Investment in affiliates	(91,636)	(5,130,280)
Purchase of equipment	(345,480)	(517,047)
Net Cash (Used) by Investment Activities	(1,322,847)	(7,648,278)
Financing Activities		
Notes payable-related party	1,745,116	-
Notes payable-accrued interest	110,883	54,066
Common Stock Sales		1,892
Operational loans	896,212	1,672,018
Subsidiary capital contribution	-	1,879,808
Cash Provided by Financing Activities	2,752,211	3,607,784
Net Increase in Cash	(1,838)	(257,518)
Cash, Beginning of Period	33,537	291,055
Cash, End of Period	$ 31,699	$ 33,537
Supplemental Information:		
Interest Paid	$ -	$ -
Income Taxes Paid	$ -	$ -
Non-Cash Activities:		
Depreciation	$ 80,684	$ 51,843
Options issued as loan incentive	$ 1,464,254	$ -
Stock issued for compensation	$ -	$ 29,220
Stock based acqusitions	$ 550,000	$ 5,404,000
Equity adjustment	$ (74,979)	$ -

The accompanying notes are an integral part of these statements

PetroSun, Inc.

NOTES TO CONSOLIDATED RESTATED AND UNAUDITED FINANCIAL STATEMENTS

(December 31, 2019 and December 31, 2018)

NOTE 1. GENERAL ORGANIZATION AND BUSINESS

PetroSun, Inc. (PetroSun or the Company), was organized in the state of Nevada on June 20, 2001 as JBO, Inc. On December 1, 2001, JBO, Inc. merged with LeBlanc Petroleum, Incorporated, a private Arizona corporation and changed its name to LeBlanc Petroleum, Incorporated and then on August 31, 2005 changed its name to PetroSun Drilling, Inc and finally on August 8, 2006 changed its name to PetroSun, Inc.. The merger was a recapitalization and accounted for as a stock exchange reverse acquisition. PetroSun, Inc. is the surviving legal entity with LeBlanc Petroleum Incorporated, the Arizona corporation, the historical accounting company.

As a result of events beginning September 11, 2001 the company decided during 2002 to discontinue operations and remained dormant until July of 2005 when it began efforts to reestablish itself.

On December 23, 2015 the Company participated in the organization of a subsidiary Arizona Energy Partners, LLC (AEP) in the state of Arizona with the Company as the managing member and holding seventy-two and one-half percent (72.5%) of the LLC. On January 1, 2019 AEP went through a restructure resulting in The Company's interest in AEP being increased to eighty percent (80%) and has accordingly been consolidated in these statements.

The company has acquired interests in and organized a number of subsidiaries and affiliate Companies to enhance its activity in the petroleum product industry as described in detail in Footnote 9.

NOTE 2. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Financial Statement Presentation</u>

The balance sheet presentation herein includes all assets and liabilities at historical cost. The Company has issued stock for the acquisition of rights related to proven and unproven properties and has capitalized those costs at the fair market value of the stock issued at the date of acquisition. Costs of exploration are expensed when incurred. The Company has on occasion issued shares of its common stock in exchange for certain services from the Company's Officers and Directors, business consultants and vendors. The stock has been issued at the fair-valued-based method. The cost of these services has been expensed in the period when the services were performed. No costs of services that were paid with stock have been capitalized.

Accounting Basis

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Fiscal Year

The Company operates on a December 31 fiscal year end.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include all highly liquid investments with maturity of three months or less.

Revenue Recognition

Revenues from services are recognized when there is persuasive evidence of an arrangement, the fee is fixed or determinable, services have been rendered, payment has been contractually earned and it is reasonably assured that the related receivable or unbilled revenue is collectable.

Advertising

Advertising and marketing costs are expensed as incurred. Marketing expense total zero for the years ended December 31, 2019 and December 31, 2018.

Use of Estimates

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

Fair Value of Financial Instruments

Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, requires disclosing fair value to the extent practicable for financial instruments that are recognized or unrecognized in the balance sheet. Fair value of financial instruments is the amount at which the instruments could be exchanged in a current transaction between willing parties. The Company considers the carrying amounts of cash, certificates of deposit, accounts receivable, accounts payable, notes payable, related party and other payables, customer deposits, and short term loans approximate their fair values because of the short period of time between the origination of such instruments and their expected realization. The Company considers the carrying amount of notes payable to approximate their fair values based on the interest rates of the instruments and the current market rate of interest.

Dividends

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid during the periods reported.

Equipment

Drilling Equipment is depreciated using the straight-line method over its estimated useful lives of 7 years according to industry standards applicable in the oil and gas industry, other equipment is depreciated on a straight-line method over 3 years.

Earnings (Loss) per Share

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

Potentially dilutive securities have been excluded from the net loss per common share calculation as the effects would be anti-dilutive. Common stock equivalents as of December 31, 2019 that were excluded from the diluted earnings per share calculation consisted of 15,000,000 warrants to purchase shares of the Company's stock. Therefore, the basic and diluted earnings (loss) per share are presented on the face of the statement of operations as the same number.

Stock Based Compensation

The Company has on occasion issued equity and equity linked instruments to non-employees in lieu of cash to various vendors for the receipt of goods and services and, in certain circumstances the settlement of short-term loan arrangements. The applicable GAAP establishes that share-based payment transactions with nonemployees shall be measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

Risk

The Company is subject to several categories of risk associated with its activities. Mineral exploration and production is a speculative business, and involves a high degree of risk. Among the factors that have a direct bearing on the Company's prospects are uncertainties inherent in estimating mineral deposits, future mining production, and cash flows, particularly with respect to properties that have not been fully proven with economic mineral reserves; access to additional capital; changes in the price of the underlying commodity; availability and cost of services and equipment; and the presence of competitors with greater financial resources and capacity.

Oil Property Costs

Oil property exploration costs are expensed as incurred. Oil property acquisition costs are initially capitalized when incurred. The Company assesses the carrying costs for impairment at each fiscal quarter end. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

Environmental Costs

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitments to plan of action based on the then known facts.

Asset Retirement Obligation

The Company records asset retirement obligations as a liability in the period in which a legal obligation associated with the retirement of tangible long-lived assets result from the acquisition, construction, development and/or normal use of the assets. The Company has undertaken drilling activity on its properties through its subsidiary AEP however, at this time has not incurred significant reclamation obligations. Consequently no asset retirement obligation was accrued in the December 31, 2019 and December 31, 2018 financial statements.

Recent Accounting Guidance

The Company has evaluated the recent accounting pronouncements through ASU 2019-12 and believes that none of the pronouncements will have a material effect on the company's financial statements.

Impairment of Long-Lived Assets

The Company reviews the recoverability of its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about future operating performance, and may differ from actual cash flows. Long-lived assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value in the period in which the determination is made. During the period ended December 31, 2019 and the year ended December 31, 2018 impairment was zero and zero respectively.

NOTE 3. GOING CONCERN

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. PetroSun is just beginning the establishment of its sources of revenue. Since its reestablishment in July 2005 the Company has produced limited income and insufficient capital resulting in the impairment of most of its assets and the expiration of many of its mineral leases. This raises substantial doubt about the Company's ability to continue as a going concern. Without realization of additional capital, it would be unlikely for the Company to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

Management plans to continue to seek funding from its shareholders and other qualified investors to pursue its business plan. As of the date of these statements the Company has acquired an interest in and organized several related subsidiaries with assets in several locations.

As of the date of these statements the Company has acquired oil and gas operating leases on approximately 218,066.58 acres in the Holbrook Basin of Arizona and 41,365.49 acres within specific targeted areas of McKinley, San Juan, Socorro and Valencia counties in New Mexico. The Company has included the Holbrook Basin property in a Joint Operating Agreement with Arizona Energy Partners, LLC (AEP) who has raised $1,500,000 to implement exploration and development of the leases.

During the fourth (4^{th}) quarter of 2016 AEP began drilling its first test well. Completion of the well and evaluation of its deposits and reserves took place during the first quarter of 2017.

MHA Petroleum Consultants of Denver, Colorado preformed a resource evaluation on Arizona Energy Partners, LLC first test well and on March 3, 2017 reported the estimated contingent helium resources on 4,000 acres of AEP's interests on the Concho Dome in the Holbrook Basin of Arizona to be 2.29 billion cubic feet. AEP has identified six additional sites on which it intends to drill in an effort to mature the contingent helium resources into reserves by demonstration of commerciality.

Through its subsidiary AEP, the Company raised an additional $3,300,000 used to replace a prior investor and finance drilling operations. The initial well (AEP 16-1) reached a depth of 2,705 feet on March 12, 2018, but operations were suspended to bring in a larger drilling rig. Drilling operations will recommence post-monsoon season and AEP will move its Crown Duke drilling rig over the hole to deepen to basement or approximately 4,000 feet.

During the quarter ended June 30, 2019 the Company completed the drilling of the well known as AEP-1 and the flow testing and evaluation is in process.

The Company continues to seek opportunities to expand its interest in oil and gas properties, exploration and production tools and technologies and has accordingly organized or acquired interest in thirteen affiliates and subsidiaries as described in Footnotes 7 and 9.

NOTE 4. RELATED PARTY TRANSACTIONS

The directors and officers of the Company have other interests in the oil and gas business, which may present conflicts of interest with respect to the activities of the Company. The Chairman/CEO of the Company is involved on a part time basis for his own account as an independent oil and gas producer.

The Company leases office space from Concord Place located at 2999 North 44th Street, Suite 620, Phoenix, AZ 85018.

The company has short term, zero interest demand notes payable with a related party who is the CEO of the Company. These borrowings have been principally used to finance the operations of the company. The outstanding balance at December 31, 2019 of related party operational borrowings is $2,956,245.
.

The Company's CEO agreed to forgive accrued salary and to forgo his salary during 2015 and 2016 and negotiated a new employment contract effective July 1, 2017. The Company has accrued $60,000 for the year ended December 31, 2019 and $60,000 for the year ended December 31, 2018.

On August 16' 2016, the Company executed two (2) three (3) year notes to Gordon M. LeBlanc Jr., the Company's CEO, in the amounts of $559,417.50 and $63,573.39 respectively with maturity dates of August 16, 2019. Funds were used for the acquisition of oil and gas leases in the Holbrook Basin of Arizona as described in footnote 7. Each note provides for the accrual of 8% interest compounded annually interest. These notes have matured however the Company is continuing to accumulate the interest.

On March 22, 2019, the Company executed a three year note with another related party in the amount of $921,467.40 with a three percent simple interest rate. On May 31, 2019, the Company executed another three year note with a related party in the amount of $621,267.40

with a three present simple interest rate and yet another on $325,000 note on 31 July 2019. The Outstanding amount of these related party notes and accrued interest at the report dates follows:

Related Party Notes	December 31, 2019	December 31, 2018
Note 1: Three year, 8% interest	$ 559,418	$ 559,418
Note 2: Three year, 8% interest	63,573	63,573
Note 3: Three year, 3% interest	921,468	-
Note 4: Three year, 3% interest	621,267	-
Note 5: Three year, 3% interest	325,000	
Principle sum of Notes	2,490,726	
Accrued Interest	234,211	122,619
Total Notes Payable	$ 2,724,937	$ 745,610

NOTE 5. EMPLOYMENT AGREEMENT

Effective July 1, 2017, the CEO entered into an Employment Agreement where in the CEO will receive a salary of $60,000 per annum and shall be payable biweekly. The agreement also provides for reimbursement of legitimate business expenses and the provision of two weeks of vacation per year with and addition week earned for every three years of employment.

NOTE 6. ACQUSITION OF OIL AND GAS LEASES

Navajo County, Arizona:

On August 16, 2016, the Company (Lessee) executed a six (6) year lease agreement dated October 27, 2015 covering approximately 186,473 acres in Navajo County, Arizona with NZ Legacy LLC (Lessor). The lease was executed with a payment in the amount of $559,418 made on behalf of the Company by Gordon M. LeBlanc, Jr. President and CEO. The Lease provided for other valuable consideration in the form of production royalties. The Company will receive an eighty-seven and one half percent (87.5%) net revenue interest for all hydrocarbons including oil, helium, natural gas, distillate and condensate with all extraction and production costs being borne by the Company. The Lessor will receive a royalty of twelve and one half percent (12.5%) of all production at the well free of cost and payable in kind or by the purchase of the lessor's share by the lessee at the going market price.

The lease will continue after its primary six (6) year term on lands included in a Production Unit upon which is located a producing well or upon which the lessee is actively engaged in a continuous drilling program. The lessee is responsible to provide all appropriate insurance coverage required by law and good management practices.

Coconino County, Arizona:

On August 16, 2016, the Company (Lessee) executed a six (6) year lease agreement dated October 27, 2015 covering approximately 21,191.13 acres in Coconino County, Arizona with NZ Legacy LLC (Lessor). The lease was executed with a payment in the amount of $63,574 made on behalf of the Company by Gordon M. LeBlanc, Jr. President and CEO. The Lease provided for other valuable consideration in the form of production royalties. The Company will receive an eighty-seven and one half percent (87.5%) net revenue interest for all hydrocarbons including oil, helium, natural gas, distillate and condensate with all extraction and production costs being borne by the Company. The Lessor will receive a royalty of twelve and one half percent (12.5%) of all production at the well free of cost and payable in kind or by the purchase of the lessor's share by the lessee at the going market price.

The lease will continue after its primary six (6) year term on lands included in a Production Unit upon which is located a producing well or upon which the lessee is actively engaged in a continuous drilling program. The lessee is also responsible to provide all appropriate Insurance coverage required by law and good management practices.

Apache County, Arizona:

On June 9, 2016, the Company acquired 4,859.84 acres of Arizona State Land Department leases from John Somers for $55,509.18 with a net revenue interest of eighty-two and one half percent (82.5%).

On October 19, 2016, the Company acquired a farm out of 4,261.47 acres of Arizona State Land Department leases from United Helium, Inc. with a net revenue interest of eighty (80%) percent.

On November 22, 2016 the Company's subsidiary Arizona Energy Partners, LLC acquired 1,281.64 privately owned acres from HNZ Holding, LLC for $6,408.20 with a net revenue interest of eighty (80%) percent.

McKinley, San Juan, Socorro and Valencia Counties, New Mecico

On March 8, 2018 the Company acquired 41,365.49 acres of Oil, Gas and Helium rights within specific targeted areas of New Mexico for $124,096. The leases provide for a six-year prepaid term with a net revenue interest of 87.5

On March 26, 2018 the Company entered into oil and gas leases covering an additional 12,740 acres in the counties of Valencia and Socorro, New Mexico for a period of two years with a Continuous Drilling clause post-primary lease term for project development. PetroSun plans to drill the initial test well during 2020 through its affiliate AEP.

<u>Golden Eagle Gas Field in Grand County, Utah</u>

On April 19, 2018 the Company entered into a 90-day Exclusivity Agreement to conduct due diligence investigations on a highly prospective oil and gas project, located in Grand County, Utah. The Agreement includes the option to farm in to the project at the conclusion of due diligence. If the option is exercised, PetroSun will be the Operator and acquire a 70% Net Revenue interest in the project after relevant government and third-party royalties.

On June 15, 2018 the Company issued 10,000,000 of its common shares to acquire $130,000 cash bonds held by the State of Utah or the BLM on the Golden Eagle Gas Field. On October 10, 2019 the Company issued 500,000 common shares valued at $100,000 for regulatory costs of the Golden Eagle Project and were recorded as investments in Unproven Gas and Oil leases. On December 2, 2019 the Company issued 1,000,000 common shares valued at $450,000 common shares for regulatory costs of the Golden Eagle Project and were recorded as investments in Unproven Gas and Oil leases.

NOTE 7. JOINT OPERATING AGREEMENT

A Joint Operating Agreement (JOA) was executed on September 20, 2016, resulting from letters of agreement between various parties leading to the JOA. Within the JOA Arizona Energy Partners, LLC (AEP) is named as the project operator with the responsibility to explore, develop and operate certain oil and gas leases held in the Holbrook Basin of Arizona.

Arizona Energy Partners, LLC was organized in the state of Arizona on December 23, 2015 with the Company as the managing member and holding seventy-two and one-half percent (72.5%) of the LLC. The Company's interest in AEP has been consolidated within these statements. During 2019 the Company's interest in AEP has been increased to eighty percent (80%)

The JOA provides for AEP to be the operating entity for the Holbrook Basin properties and bear the costs of exploration, development, production, marketing and product delivery.

AEP has provided funding for the operations thru sale of the unencumbered twelve percent (12%) interest in the project leasehold for $1,500,000 to Rae Ann, LLC. The agreement also provided for an option wherein Rae Ann, LLC could obtain an additional twelve percent (12%) unencumbered interest for an additional $1,500,000 payment. During the first quarter of 2018 an outside investor acquired and exercised the option which provided AEP with a and additional $1,500,000 operating capital with which it funded the drilling of a second test well.

During the fourth (4th) quarter of 2016 AEP began testing several upper zones for helium concentrations in the 17-1 well including the flow testing required by MHA. Completion of the evaluation of the helium resources took place during the first quarter of 2017.

MHA Petroleum Consultants of Denver, Colorado performed a resource evaluation on AEP's first test well and on March 3, 2017 reported the estimated contingent helium resources on 4,000 acres of AEP's leases on the Concho Dome in the Holbrook Basin of Arizona to be 2.29 billion cubic feet. AEP has identified six additional sites on which it intends to drill in an effort to mature the contingent helium resources into reserves by the demonstration of commerciality.

AEP holds Oil, Gas and Helium leases in Apache, Navajo and Coconino counties of Arizona containing 218,066.58 acres.

AEP obtained three additional drilling permits to continue the process of proving the helium reserves in the Holbrook Basin and drilled its second well known as AEP-1 which has been completed and is currently undergoing flow testing and evaluation which is expected to be complete during the third quarter of 2019.

AEP has executed a lease agreement for a commercial building on 2.89 acres in Farmington, New Mexico and will be the field headquarters for the Four Corners operations for AEP and PetroSun operations. The Farmington yard will be the base of the newly acquired Crown Duke CE750 drilling rig rated to 10,000 feet. The Spencer Harris 3500 drilling rig and 25,000 feet of casing and tubing will be moved from the Snowflake, Arizona yard to Farmington.

On December 28, 2018, the Company through its subsidiary AEP executed a Liquid Helium Supply Agreement with Uniper Global Commodities North America LLC to acquire helium molecules produced and processed by AEP from its gas field operations in the Paradox Basin, Grand County, Utah. AEP will process the helium concentration in its helium processing plant to be commissioned on or before April 30, 2020.

NOTE 8. OPERATIONAL LOANS

The Company has received operational loans from related parties with a zero interest rate totaling $2,856,245 made to both the Company and its subsidiaries. The Company has recorded the payments as Operational Loans.

A summary of operational loans and settlement note for the reported periods follows:

	December 31, 2019	December 31, 2018
Operational loans from Related Parties, zero interest	$ 2,115,542	$ 209,121
Related party loan increases	740,703	1,906,421
Total related party loans	$ 2,856,245	$ 2,115,542

NOTE 9. ACQUSITION AND ORGANIZATION OF AFFILIATES

United Gas of North America, LLC

On May 11, 2017, the Company acquired fifty percent (50%) of Noble Gas Partners, LLC a Delaware limited liability Company for a stated value of $2,700,000 with the issue of 18,000,000 common shares. On the date of acquisition the Company's shares traded at $0.04 per share so the Company recorded the acquisition at $720,000, the market value of the stock.

On the date of acquisition the two companies organized United Gas of North America, LLC an Arizona limited liability Company with both companies as equal members. United Gas of North America, LLC will engage in the transportation and distribution of helium.

PetroSun Energy Services, LLC

On July 11, 2017, the Company acquired the remaining fifty percent (50%) interest in Crosskeys Equipment, LLC an Arizona limited liability Company from Crosskeys Energy Services, LLC a Delaware limited liability Company with the issue of warrants that can be exercised within two years to purchase 5,000,000 of the Company's common shares at $0.15 per share. Using the Black-Sholes valuation method the 5,000,000 warrants were valued at $115,293 the amount used by the Company to record the purchase.

The Company already owned fifty percent (50%) of Crosskeys Equipment, LLC which was organized in the State of Arizona on August 17, 2015. On the date of acquisition Crosskeys Equipment, LLC was renamed PetroSun Energy Services, LLC and will engage in the energy equipment and services industry as a wholly owned subsidiary of the Company.

Eau Resources, LLC

On March 19, 2018, PetroSun Energy Services, LLC formed a limited joint venture with ELD Resources, LLC (ELD) of Livonia, New York. The Joint venture formed Eau Resources, LLC (Eau) in which PetroSun Energy Services, LLC holds a fifty percent (50%) equity position. Eau Resources, LLC is licensed by ELD to use its patented and patent pending technologies focused on the treatment of industrial waste streams. Eau will exploit treatment of frack water and other waste streams generated by the oil and gas and other industries.

Torus TechWorks, LLC

On July 12, 2017, the Company acquired Torus TechWorks, LLC (Torus) a Delaware limited liability Company with the issue of 10,000,000 common shares of stock at the market price of $0.026 per share or $260,000 and 10,000,000 warrants that can be exercised within eighteen (18) months to purchase one share of the Company's common stock at a price of $0.20 per share. Using the Black-Sholes valuation method the warrants were valued at $202,311 for a total amount of $462,311 used by the Company to record the purchase.

The interests that Torus owns in a variety of subsidiaries also transferred to the Company as follows:

Percent of Interest	Affiliate and Subsidiary Name	Activity
50%	Sonoran Dish Energy, LLC	Solar Power Generation and Energy Storage
50%	Sonoran Cry Desal, LLC	Freeze Desalination and non-membrane technology
100%	TorusMed, LLC	Initiated research program of industrial hemp as an agricultural commodity in Arizona for a variety of commercial uses
100%	TorusAg LLC	Owned by TorusMed, LLC
100%	Torus MediaWorks, LLC	Owns and consolidates the following media assets:
50%	Notable Kids Publishing	Publication and distribution of youth oriented books
100%	Americana Records	Americana music genre record label
50%	InPerpetuity Records	Country music genre record label, featuring Danny Griego

On May 16, 2018 the Company organized TorusMed, Inc. and its subsidiary TorusAg, Inc. both Delaware Corporations. Upon incorporation TorusMed, Inc issued 58,297,150 common shares of its stock with a par value of $58,297 to the Company to obtain intangible assets in the form of licenses and agreements generic to its business held by the Company. On June 11, 2018 the Company announced its intent to spin-off Torus Med, Inc. and distribute those shares to the Company's shareholders of record as of June 15, 2018 on a 5-to-1 ratio. For every five shares of PetroSun stock owned by our shareholders they will receive one share of the TorusMed stock currently owned by the Company. PetroSun is in the energy sector and has no on-going synergies with the business of TorusMed. The completion of the spin-off is expected to take place during the year 2020. Accordingly, TorusMed's activity has been consolidated with the Company.

On September 24, 2018, the Company invested $50,000 through its subsidiary Torus TechWorks Inc. to take an equity position in Organic Transit's Series B round and an option to acquire the full offering. Organic Transit filed for Chapter 7 Bankruptcy on June 13, 2019 in the Middle District of North Carolina.

On September 25, 2018, the Company approved the spin-off of its wholly-owned subsidiary Torus TechWorks, Inc. and distribution of outstanding shares to the Company's shareholders of record as of October 25, 2018 on a 5-to-1 ratio. The spin-off has not yet been completed.

PetroSun Lithium, LLC

On August 10, 2017 the Company organized PetroSun Lithium, LLC as a wholly-owned subsidiary to exploit affiliate held technology for the recovery of lithium resources within the United States. Sonoran Dish Energy, LLC and Sonoran CryoDesal, LLC will team with PetroSun Lithium, LLC to set up a plant for the recovery of lithium carbonate from brine water sourced from oil and gas production. A process demonstration plant is expected to be completed during the year 2020 and will be located in Tempe, Arizona.

On January 4, 2017, the Company executed an exclusive license agreement with Sonoran Dish Energy, LLC and Sonoran CryoDesal, LLC for proprietary technology developed for use in the oil and gas industry.

On April 4, 2017 the Company has approved plans for the development of a cryogenic helium processing plant employing technology from Sonoran Dish Energy, LLC and Sonoran CryoDesal in the Holbrook Basin which will be operated by AEP.

M&M Production & Operation Inc and Independent Pipeline Corporation

On June 1, 2018, the Company was party to a purchase agreement with the sole owner of M&M Production & Operation Inc. (M&M), a New Mexico corporation and Independent Pipeline Corporation, (Independent) a New Mexico corporation collective called (Companies) wherein the Company agreed to purchase the Companies for a purchase price of $5,000,000 cash.

Various amendment to the agreement were entered into until on October 24, 2018 the sole owner of the Companies agreed to receive 25,000,000 common shares of PetroSun, Inc stock valued at $0.20 per share as full payment of the agreed to purchase price. The shares are authorized to be issued on October 24, 2018.

Independent Pipeline Corporation brings the following asset into the Company:

- Twenty-six (26) mile 4 ½ inch pipeline with a 45 foot right-of-way and a current daily capacity of 12 million cubic feet.

M&M brings the following assets into the Company:

- Sixty-one (61) producing oil and/or gas wells
- 9,480.85 acres of leasehold consisting of Federal, State of New Mexico, Jicarilla Tribal and Navajo Nation properties
- The lease hold contains 5,880.08 acres of Mancos Shale/Gallup SS rights, which include 10 current producing vertical Gallup SS wells and a dual-completion Dakota/Gallup well
- The remaining leasehold contains 51 producing Picture Cliff (PC)/Chara formation natural gas wells with Fruitland Coal PUDs (Proven Undeveloped).
- Three F-250 field trucks, a backhoe, three phase separators and parts inventory

AgWater Solutions, LLC

On November 4, 2019, the Company announced that it has formed AgWater Solutions, LLC as an affiliate. AgWater Solutions, LLC will implement Sonoran's Solar Thermal Desalination technology as an integral part of the agricultural wastewater process system. The Company has an eighty percent (80%) membership interest

NOTE 10. ORGANIZATION AND CONSOLIDATION OF SUBSIDIARIES

Arizona Energy Partners, LLC

Arizona Energy Partners, LLC (AEP) was organized in the state of Arizona on December 23, 2015 with the Company as the managing member and originally holding a sixty-seven and one-half percent 67.5%) of the LLC. During the year ended December 31, 2018 the Company acquired additional interest and now holds eighty percent (80%) interest in AEP.

Eau Resources, LLC

During the period ended December 31, 2019, Eau Resources, LLC a PetroSun subsidiary began operations and has produced $171,561 in revenue during its first quarter of operation.

M&M Production and Operations, Inc.

M&M Production and Operations, Inc. has been previously consolidated in the Company financials but not shown in the consolidation tables. M&M is expanding its operations in preparation for the Companies increase in operation in the Farmington region.

The Company’s interest in its various affiliates and AEP has been consolidated and restated within these statements as follows:

Balance Sheet	Year Ended Ended December 31, 2019					
	PetroSun	M&M Production	Eau Resources	AEP	Less Inter-Company And Non-Ownership Adjustment	Total
ASSETS						
Current Assets						
Cash	$ 30,676	$ -	$ 825	$ 247	$ (49)	$ 31,699
Work in Progress	-	50,109	-	701,644	(140,329)	611,424
Other Current Assets	39,000	-	15,555	-	-	54,555
Bonds held on proven projects	130,000	-	-	-	-	130,000
Loans to Affiliates	-	126,000	-	-	-	126,000
Inter-Company Transfers	2,550,004	-	-	-	(2,550,004)	-
Prepaid Expenses	-	-	-	2,750	(550)	2,200
Total Current Assets	2,749,680	176,109	16,380	704,641	(2,690,932)	955,878
Long-Term Assets						
Investments in Affiliates	7,270,416	-	-	-	-	7,270,416
Equipment (Net)	1,600	106,500	130,511	1,061,848	(212,370)	1,088,089
Intangible Drilling Costs	-	-	-	128,771	(25,754)	103,017
Unproven Gas and Oil Leases	1,137,507	-	-	2,436,730	(487,346)	3,086,891
Unproven Non-working interests	-	-	-	800,000	(160,000)	640,000
Total Long-Term Assets	8,409,523	106,500	130,511	4,427,349	(885,470)	12,188,413
Total Assets	$ 11,159,203	$ 282,609	$ 146,891	$ 5,131,990	$ (3,576,402)	$ 13,144,291
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities						
Accounts Payable	$ 7,100	$ -	$ -	$ 81,750	(16,350)	$ 72,500
Inter-Company Transfers	-	653,895	31,765	1,166,174	(1,851,834)	-
Accrued Expenses	517,794	-	-		-	517,794
Operational Loans	2,836,865	-	187,778	1,078,758	(1,147,156)	2,956,245
Related Party Notes	2,546,235	-	-	-	-	2,546,235
Total Liabilities	5,907,994	653,895	219,543	2,326,682	(3,015,340)	6,092,774
Stockholders' Equity						
Common Stock	318,631	-	-	-	-	318,631
Paid in Capital/Members Equity	22,337,550	-	-	5,840,416	(1,168,083)	27,009,883
Accumulated Deficit	(17,404,972)	(371,286)	(72,652)	(3,035,108)	607,021	(20,276,997)
Total Stockholders' Equity	5,251,209	(371,286)	(72,652)	2,805,308	(561,062)	7,051,517
Total Liabilities and Stockholders' Equity	$ 11,159,203	$ 282,609	$ 146,891	$ 5,131,990	$ (3,576,402)	$ 13,144,291

Balance Sheet	Year Ended December 31, 2018			
	PetroSun	AEP	Less Inter-Company And Non-Ownership Adjustment	Total
ASSETS			(Restated)	(Restated)
Current Assets				
Cash	$ 33,465	$ 100	$ (28)	$ 33,537
Work in Progress	-	644,809	(177,322)	467,487
Bonds held on proven projects	130,000	-	-	130,000
Inter-Company Transfers	550,831	-	(520,018)	30,813
Prepaid Expenses	-	2,750	(756)	1,994
Total Current Assets	714,296	647,659	(698,124)	663,831
Long-Term Assets				
Investments in Affiliates	7,178,780	-	-	7,178,780
Equipment (Net)	1,600	1,103,369	(303,426)	801,543
Equipment Yard	-	30,000	(8,250)	21,750
Intangible Drilling Costs	-	128,771	(35,412)	93,359
Unproven Gas and Oil Leases	482,259	3,266,980	(898,421)	2,850,818
Total Long-Term Assets	7,662,639	4,529,120	(1,245,509)	10,946,250
Total Assets	$ 8,376,935	$ 5,176,779	$ (1,943,633)	$ 11,610,081
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable	$ 4,600	$ 88,925	$ (24,454)	$ 69,071
Accrued Expenses	218,426	-	-	218,426
Operational Loans	1,770,722	1,116,315	(827,004)	2,060,033
Related Party Note	801,119	-	-	801,119
Total Liabilities	2,794,867	1,205,240	(851,458)	3,148,649
Stockholders' Equity				
Common Stock	316,731	-	-	316,731
Paid in Capital/Members Equity	20,322,840	5,840,417	(1,606,115)	24,557,142
Accumulated Deficit	(15,057,503)	(1,868,878)	513,940	(16,412,441)
Total Stockholders' Equity	5,582,068	3,971,539	(1,092,175)	8,461,432
Total Liabilities and Stockholders' Equity	$ 8,376,935	$ 5,176,779	$ (1,943,633)	$ 11,610,081

Statement of Operations

	Year Ended December 31, 2019					
	PetroSun	M&M Production	Eau Resources	AEP	Less Non-Ownership Adjustment	Total
Revenue						
Revenue	$ 3,808	$ -	$ 171,561	$ -	$ -	$ 175,369
Cost of Sales	1,216	-	-	-	-	1,216
Gross Income/(Loss)	2,592	-	171,561	-	-	174,153
Operating Expenses						
General and Administrative	264,598	11,723	102,220	181,454	(36,291)	523,704
Depreciation and depletion	-	-	23,467	71,521	(14,304)	80,684
Accrued Expense	60,000	-	-	-	-	60,000
Lease Operating Expense	6,776	7,702	-	956,627	(191,325)	779,780
Professional Fees	384,803		118,526	-	-	503,329
Total Expenses	716,177	19,425	244,213	1,209,602	(241,920)	1,947,497
Net Loss from Operations	(713,585)	(19,425)	(72,652)	(1,209,602)	241,920	(1,773,344)
Other Income/Expenses						
Interest Income	-	-	-	-	-	-
Interest Expense	(1,575,846)	-	-	-	-	(1,575,846)
Net Loss before Income Tax	(2,289,431)	(19,425)	(72,652)	(1,209,602)	241,920	(3,349,190)
Income Tax	-	-	-	-	-	-
Net Income/(Loss)	$ (2,289,431)	$ (19,425)	$ (72,652)	$ (1,209,602)	$ 241,920	$ (3,349,190)

Statement of Operations

	Year Ended December 31, 2018			
	PetroSun	AEP	Less Non-Ownership Adjustment	Total
Revenue				(Restated)
Oil Revenue	$ -	$ -	$ -	$ -
Operating Expenses				
General and Administrative	73,628	301,634	(82,949)	292,313
Accrued Expense	66,850	-	-	66,850
Lease Operating Expense	228,176	1,229,364	(338,075)	1,119,465
Professional Fees	182,353	15,299	(4,207)	193,445
Total Expenses	551,007	1,546,297	(425,231)	1,672,073
Net Loss from Operations	(551,007)	(1,546,297)	425,231	(1,672,073)
Other Income/Expenses				
Interest Income	-	78	(21)	57
Interest Expense	(54,066)	-	-	(54,066)
Net Loss before Income Tax	(605,073)	(1,546,219)	425,210	(1,726,082)
Income Tax	-	-	-	-
Net Income/(Loss)	$ (605,073)	$ (1,546,219)	$ 425,210	$ (1,726,082)

TorusMed, Inc.

On May 16, 2018 the Company organized TorusMed, Inc. and its subsidiary TorusAg, Inc. both Delaware Corporations. Upon incorporation TorusMed, Inc issued 58,297,150 common shares of its stock with a par value of $58,297 to the Company to obtain intangible assets in the form of licenses and agreements generic to its business held by the Company. TorusMed has been consolidated with PetroSun in the above schedules.

NOTE 11. RESTATED CONSOLIDATED STATEMENTS

After publication of the second quarter 2018 Company financial statements on August 21, 2018, the Company found some errors in the statements. The above consolidations have been revised to correct our reporting.

NOTE 12. STOCKHOLDERS' EQUITY

Common Stock

The Company is authorization to issue 500,000,000 shares of common stock at a par value of $0.001 and at December 31, 2017 has 268,598,750 common shares issued and outstanding.

On June 13, 2018, the Company issued 250,000 shares of common stock at $0.0274 per share or $6,850 as compensation to a director.

One June 13, 2018, the Company issued 10,000,000 shares of common stock at $0.0274 per share or $274,000 to expand lease interests in the New Mexico project.

On June 13, 2018, the Company issued 2,237,000 shares of common stock at the previously agreed to price of $0.01 per share to settle $22,370 accounts payable.

On June 13, 2018, the Company issued 400,000 shares of common stock to settle an error made by our previous transfer agent that caused the State of Michigan to sell stock as unclaimed. The Company recorded the issue at zero in anticipation of receipts from the State of Michigan.

On June 15, 2018, the Company issued 10,000,000 shares of common stock to acquire cash bonds valued at $130,000 held by the State of Utah or the BLM on the Golden Eagle Gas Field in Utah.

On October 23, 2018, the Company issued 245,000 common shares to settle an error made by our previous transfer agent and received $1,892 cash.

On October 24, 2018, the Company issued 25,000,000 common shares for the acquisition of an affiliate valued at $5,000,000.

On October 10, 2019 the Company issued 400,000 shares of common stock to settle an error made by our previous transfer agent that caused the State of Michigan to sell stock as unclaimed. The Company recorded the issue at zero in anticipation of receipts from the State of Michigan.

On October 10, 2019 the Company issued 500,000 common shares at $0.20 per share to cover regulatory costs related to the Golden Eagle Project in Utah and recorded a $100,000 investment in Unproven Gas and Oil Leases.

On December 10, 2019 the Company issued 1,000,000 common shares at $0.45 per share to cover regulatory costs related to the Golden Eagle Project in Utah and recorded a $450,000 investment in Unproven Gas and Oil Leases.

Outstanding Warrants

As of January 13, 2019, all warrants have expired.

Outstanding Options

On February 1, 2019, the Company issued 30,000,000 five year options to purchase restricted common stock at a strike price of $0.10 per share as an incentive compensation for making substantial loans to the Company. The options immediately vest and can be exercise at any time up to January 31, 2024. The Company recorded the expense in the second quarter of 2019.

The Company calculated the fair value of the 30,000,000 restricted share options to be $1,464,254 by using the Black-Sholes options pricing model with the following parameters and taking a 30% discount for the lack of marketability of the restricted shares:

Black-Sholes Variables	
Stock Price:	$0.070
Discount	30%
Exercise/Strike Price:	$0.10
Volatility:	266.60%
Risk-Free Rate:	1.81%
Years to Maturity:	5

During the year ended December 31, 2019, the Company had outstanding options for the purchase of 30,000,000 restricted common shares as summarized in the table below:

Warrants Outstanding	Exercise Price	Expiration Date
30,000,000	$ 0.10	31-Jan-2024

NOTE 13. PROVISION FOR INCOME TAXES

The Company provides for income taxes under ASC 740 "Income Taxes" which requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect currently.

The standard requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset is $3,317,787 which is calculated by multiplying a 22% estimated tax rate by the cumulative NOL of $15,080,848. The total valuation allowance is a comparable $3,317,787.

Details for the years ended December 31, 2019 and 2018 follow:

	December 31, 2019	December 31, 2018
Deferred Tax Asset	$ 736,822	$ 379,738
Valuation Allowance	(736,822)	(379,738)
Current Taxes Payable	-	-
Income Tax Expense	$ -	$ -

The following chart shows the estimated federal net operating losses and the year they expire.

Year	Amount	Expiration
2001	136,240	2021
2002	43,042	2022
2003	184,571	2023
2004	301,347	2024
2005	158,505	2025
2006	1,341,823	2026
2007	1,380,291	2027
2008	3,954,573	2028
2009	585,697	2029
2010	303,281	2030
2011	332,325	2031
2012	285,524	2032
2013	640,995	2033
2014	9,072	2034
2015	3,750	2035
2016	90,048	2036
2017	254,492	2037
2018	1,726,082	2038
2019	3,349,190	2039
Total	$ 15,080,848	

NOTE 14. CHANGE IN TRANSFER AGENT

On April 23, 2018 the Company announced the appointment of Sedona Equity Registrar & Transfer, Inc. as its Transfer Agent located at 12601 North Cave Creek Road, Suite 118, Phoenix, AZ 85022.

NOTE 15. SUBSEQUENT EVENTS

On January 9, 2020, the Company executed a three year eight percent (8%) note for $640,000 cash from Gordon M. LeBlanc Jr., the Company's CEO.