GOLDEN GLOBAL CORP.
Form 10-Q
November 13, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: **December 31, 2017**

OR

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

Commission file number: 000-54528

GOLDEN GLOBAL CORP.
(Exact name of registrant as specified in its charter)

Nevada	**47-1460693**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

21573 San Germain Drive

Boca Raton, FL 33433

(Address of principal executive offices)

(561) 430-5935
(Registrant’s telephone number, including area code)

Indicate by check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities and 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 ý

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 ý 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 definition of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ¨ Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ý
Emerging growth company ¨

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

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

As of November 13, 2018, the registrant has one class of common equity, and the number of shares outstanding of such common equity was 37,408,768.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

GOLDEN GLOBAL CORP.

Condensed Balance Sheets

	December 31,2017 (Unaudited)	June 30, 2017
Assets		
Current assets:		
Cash and cash equivalents	$—	$1,939
Total current assets	—	1,939
Total assets	$—	$1,939
Liabilities and Stockholders' Deficit		
Current liabilities:		
Convertible notes payable	$436,715	$436,715
Accounts payable	94,913	87,659
Related party payable	493,027	358,027
Other current liabilities	159,265	143,012
Derivative liabilities	3,164,731	909,586
Total current liabilities	4,348,651	1,934,999
Commitments and contingencies	—	—
Stockholders' deficit:		
Preferred stock, $1.00 par value; 250,000,000 shares authorized, 1,000 shares issued and outstanding	1,000	1,000
Common stock, $0.0001 par value; 4,500,000,000 shares authorized; 1,532,785 shares issued and outstanding at December 31, 2017 and June 30, 2017	153	153
Capital in excess of par value	1,933,589	1,933,589
Accumulated deficit	(6,283,393)	(3,867,802)
Total stockholders' deficit	(4,348,651)	(1,933,060)
Total liabilities and stockholders' deficit	$—	$1,939

See Accompanying Notes to the Financial Statements

GOLDEN GLOBAL CORP.
Condensed Statements of Operations
(Unaudited)

	For the Six Months Ended		For the Three Months Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Revenues	$70,211	$—	$—	$—
Cost of goods sold	42,345	—	—	—
Gross profit	27,866	—		
Professional fees	6,000	37,102	3,000	4,557
Consulting fees	7,026	—	—	—
Advertising	12,067	—	—	
General and administrative	146,966	140,698	68,118	69,991
Total costs and expenses	172,059	177,800	71,118	74,548
Loss from operations	(144,193)	(177,800)	(71,118)	(74,548)
Other income (expense):				
Interest expense	(16,253)	(55,105)	(8,126)	(19,985)
Gain on change in value of derivatives	(2,255,145)	6,321	770,132	64,239
Total other income (expense)	(2,271,398)	(48,784)	762,006	44,254
Income (loss) before taxes	(2,415,591)	(226,584)	690,888	(30,294)
Provision for income taxes	—	—	—	—
Net income (loss)	$(2,415,591)	$(226,584)	$690,888	$(30,294)
Earnings (loss) per share – basic	$(1.58)	$(0.15)	$0.45	$(0.02)
Earnings (loss) per share – diluted	$(1.58)	$(0.15)	$0.00	$(0.02)
Weighted average number of common shares outstanding:				
Basic	1,532,785	1,520,087	1,532,785	1,532,785
Diluted	1,532,785	1,520,087	147,733,440	1,532,785

See Accompanying Notes to the Financial Statements

GOLDEN GLOBAL CORP.
Condensed Statements of Cash Flows
(Unaudited)

	Six Months Ended December 31, 2017	Six Months Ended December 31, 2016
Operating activities		
Net loss	$(2,415,591)	$(226,584)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount	-	38,842
Change in fair market value of derivatives	2,255,145	(6,321)
Changes in non-cash working capital balances		
Accounts payable	7,254	5,699
Accounts payable – related party	135,000	135,000
Other liabilities	16,253	46,664
Cash used in operating activities	(1,939)	(6,700)
Financing activities		
Proceeds from convertible note	-	6,700
Cash provided by financing activities	-	6,700
Decrease in cash and cash equivalents during the period	(1,939)	(0)
Cash and cash equivalents, beginning of the period	1,939	-
Cash and cash equivalents, end of the period	$-	$-
Cash paid for:		
Interest	$-	$-
Income taxes	$	$-
Non-cash financing activities		
Common stock issued for debt conversion	$-	$18,148
Initial valuation of derivatives	$-	$16,514

See Accompanying Notes to the Financial Statements

GOLDEN GLOBAL CORP.

Notes To Condensed Financial Statements (Unaudited)

Note 1– Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for quarterly reports on Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six and three-month periods ended December 31, 2017, are not necessarily indicative of the results that may be expected for the year ended June 30, 2018. For further information, refer to the audited financial statements and footnotes thereto in our Annual Report on Form 10-K for the year ended June 30, 2017.

Note 2 – Going Concern Matters and Realization of Assets

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. However, the Company has sustained recurring losses from its continuing operations and as of December 31, 2017, had negative working capital of $4,348,651 and a stockholders' deficit of $4,348,651. In addition, the Company is unable to meet its obligations as they become due and sustain its operations. The Company believes that its existing cash resources are not sufficient to fund its continuing operating losses, capital expenditures, lease and debt payments and working capital requirements.

The Company may not be able to raise sufficient additional debt, equity or other cash on acceptable terms, if at all. Failure to generate sufficient revenues, achieve certain other business plan objectives or raise additional funds could have a material adverse effect on the Company's results of operations, cash flows and financial position, including its ability to continue as a going concern, and may require it to significantly reduce, reorganize, discontinue or shut down its operations.

In view of the matters described above, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company which, in turn, is dependent upon the Company's ability to meet its financing requirements on a continuing basis, and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in its existence.

Management's plans include:

1. Seek to raise debt or equity for working capital purposes and to pay off existing debt balances. With sufficient additional cash available to the Company, it can begin to make marketing expenditures and hire people to generate more revenues, and consequently cut monthly operating losses.

2. Continue to create new business opportunities in a cannabis-related field. The Company has secured two purchase contracts to acquire greenhouses in California and to work with a licensed cannabis entity.

3. Renegotiate loan agreements with existing debt holders.

Management has determined, based on its recent history and its liquidity issues that it is not probable that management's plan will sufficiently alleviate or mitigate, to a sufficient level, the relevant conditions or events noted above. Accordingly, the management of the Company has concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year after the issuance date of these financial statements.

There can be no assurance that the Company will be able to achieve its business plan objectives or be able to achieve or maintain cash-flow-positive operating results. If the Company is unable to generate adequate funds from operations or raise sufficient additional funds, the Company may not be able to repay its existing debt, continue to operate its business network, respond to competitive pressures or fund its operations. As a result, the Company may be required to significantly reduce, reorganize, discontinue or shut down its operations. The financial statements do not include any adjustments that might result from this uncertainty.

Note 3 – Earnings (Loss) Per Common Share

Earnings (loss) per share data was computed as follows:

	Six Months Ended December 31, 2017	Six Months Ended December 31, 2016	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016
Net income (loss) – basic	$(2,415,591)	$(226,584)	$690,888	$(30,294)
Adjustments to net income	—	—	8,126	—
Net income (loss) – diluted	$(2,415,591)	$(226,584)	$699,014	$(30,294)
Weighted average common shares outstanding - basic	1,532,785	1,520,087	1,532,785	1,532,785
Effect of dilutive securities	—	—	146,200,655	—
Weighted average common shares outstanding – diluted	1,532,785	1,520,087	147,733,440	1,532,785
Earnings (loss) per common share - basic	$(1.58)	$(0.15)	$0.45	$(0.02)
Earnings (loss) per common share – diluted	$(1.58)	$(0.15)	$0.00	$(0.02)

For the six-month period ended December 31, 2017, the Company excluded 146,200,655 shares of common stock issuable upon the exercise of outstanding convertible debt from the calculation of net loss per share because the effect would be anti-dilutive. For the six- and three-month periods ended December 31, 2016, the Company excluded 8,639,109 shares of common stock issuable upon the exercise of outstanding convertible debt from the calculation of net loss per share because the effect would be anti-dilutive.

Note 4 – Principal Financing Arrangements

The following table summarizes components of debt as of December 31, 2017 and June 30, 2017:

	December 31, 2017	June 30, 2017
Convertible debt due to various lenders	$436,715	$436,715
Less: discount on debt	-	-
Total debt, net of discounts	$ 436,715	$ 436,715

On February 6, 2014, the Company entered into a securities purchase agreement to issue an unsecured convertible promissory note with a principal amount of $16,500. This promissory note bears interest at an annual rate of 8%, and a default rate of 18%, which was to be paid with principal in full on the maturity date of November 10, 2014. The principal amount of the note together with interest may be converted into shares of common stock, par value of $0.0001 ("Common Stock") at the option of the lender at a conversion price equal to thirty five percent at the market price, calculated as the average of the lowest three trading prices during the 10 trading days prior to the conversion. As the note was not repaid on November 10, 2014, a penalty of $5,473 has been added to the principal balance of the note. As of June 30, 2015, conversions totaling $14,325 have been recorded and 4,359 shares of the Company's Common Stock have been issued as a result of the conversion. For the year ended June 30, 2016, additional conversions of $6,790 were recorded, resulting in the issuance of 10,545 shares of Common Stock. At December 31 and June 30, 2017, the remaining debt balance is $860.

On April 7, 2014, the Company entered into a securities purchase agreement to issue an unsecured convertible promissory note with a principal amount of $32,500. This promissory note bears interest at an annual rate of 8%, and a default rate of 18%, which was to be paid with principal in full and interest on the maturity date of January 9, 2015. The principal amount of the note together with interest may be converted into shares of Common Stock, at the option of the lender at a conversion price equal to forty one percent at the market price, which is the average of the lowest three trading prices during the 10 days prior to the conversion. The note has matured unpaid. As a result, a penalty of $16,250 has been added to the principal balance of the note. No debt conversions have been recorded, and at December 31 and June 30, 2017, the debt balance remains at $48,750.

On April 9, 2014, the Company entered into a securities purchase agreement to issue an unsecured convertible promissory note with a principal amount of $42,000. This promissory note bears interest at an annual rate of 8%, with a default rate of 16%, which is to be paid with principal in full on the maturity date of April 9, 2015. The principal amount of the note together with interest may be converted into shares of Common Stock at the option of the lender at a conversion price equal to fifty percent of the lowest closing price bid during the 18 days prior to the conversion. As the note was not repaid on April 9, 2015, a penalty of $4,240 has been added to the principal balance of the note. As of June 30, 2015, conversions totaling $8,810 have been recorded and 2,515 shares of the Company's Common Stock have been issued as a result of the conversion. For the year ended June 30, 2016, additional conversions of $21,615 were recorded, resulting in the issuance of 259,010 shares of Common Stock. At December 31 and June 30, 2017, the remaining debt balance is $15,815.

On May 27, 2014, the Company entered into a securities purchase agreement to issue an unsecured convertible promissory note with a principal amount of $25,000. These promissory note bears interest at an annual rate of 8% which is to be paid with principal and interest on the maturity date of May 27, 2015. The principal amount of the note together with interest may be converted into shares of Common Stock at the option of the lender at a conversion price equal to fifty percent of the lowest closing price bid during the 18 days prior to the conversion. As of June 30, 2016, conversions totaling $2,423 were recorded, resulting in the issuance of 991 shares of Common Stock. At September 30 and June 30, 2017, the remaining debt balance is $22,577.

On February 20, 2015, the Company issued a convertible debenture for the gross proceed of $25,000. The debenture matured on February 20, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $37,500 with 8% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 20 days prior to the conversion. At December 31 and June 30, 2017 the debt balance is $37,500.

On March 16, 2015, the Company issued a convertible debenture for the gross proceed of $15,000. The debenture matured on March 16, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $22,500 with 8% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 20 days prior to the conversion. At December 31 and June 30, 2017 the debt balance is $22,500.

On August 20, 2015, the Company issued a convertible debenture of $25,000 as a result of a partial transfer of the August 1, 2014 note to a new holder. The debenture matures on August 20, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $25,000 with 8% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at the lower of fifty percent of the lowest market price during the 20 days prior to the conversion. As of June 30, 2016, conversions totaling $16,913 have been recorded and 208,269 shares of the Company's Common Stock have been issued as a result of the conversion. The note balance at December 31 and June 30, 2017 is $8,087.

On November 5, 2015, the Company issued a convertible debenture for gross proceeds of $30,000. The debenture matured on June 5, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $40,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 40 days prior to the conversion. One debt conversion occurred on August 2, 2016, resulting in the issuance of 72,222 shares of common stock to retire $6,500 on debt. The note balance at December 31 and June 30, 2017 is $33,500.

On December 2, 2015, the Company issued a convertible debenture for the gross proceeds of $20,000. The debenture matured on June 2, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $25,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to thirty percent of the lowest closing price during the 30 days prior to the conversion. No debt conversions have occurred and the note balance at December 31 and June 30, 2017 is $25,000.

On December 3, 2015, the Company issued a convertible debenture of $19,500 as a result of a partial transfer of the August 1, 2014 note to a new holder. The debenture matured on June 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $19,500 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at thirty percent of the lowest market price during the 30 days prior to the conversion. As of June 30, 2016, conversions totaling $3,000 have been recorded and 55,556 shares of the Company's Common Stock have been issued as a result of the conversion. The note balance at December 31 and June 30, 2017 is $16,500.

On December 3, 2015, the Company issued a convertible debenture of $105,000 as a result of a transfer of the August 1, 2014 note to a new holder. The debenture matures on July 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $105,000 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 40 days prior to the conversion. As of June 30, 2016, conversions totaling $7,500 have been recorded and 83,333 shares of the Company's Common Stock have been issued as a result of the conversion. The note holder assigned $6,000 of the note to another note holder, and the remaining balance of this note at December 31 and June 30, 2017 is $91,500.

On December 30, 2015, the Company issued a convertible debenture for gross proceeds of $5,000. The debenture matures on June 30, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $7,500 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 40 days prior to the conversion. The note balance at December 31 and June 30, 2017 is $7,500.

On December 31, 2015, the Company issued a convertible debenture for gross proceeds of $10,000. The debenture matures on July 1, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $13,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 30 days prior to the conversion. The note balance at December 31 and June 30, 2017 is $13,000.

On January 5, 2016, the Company issued a convertible debenture of $19,618 as a result of a transfer of the November 8, 2014 note to a new holder. The debenture matures on July 5, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $19,618 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 30 days prior to the conversion. As of June 30, 2016, conversions totaling $3,992 have been recorded and 221,778 shares of the Company's Common Stock have been issued as a result of the conversion. The note balance at December 31 and June 30, 2017 is $15,626.

On January 13, 2016, the Company issued a convertible debenture for gross proceeds of $20,000. The debenture matures on January 13, 2017. The terms of the debenture require the Company to pay the debenture investor a principal sum of $26,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to forty-five percent of the lowest closing price during the 30 days prior to the conversion. The note balance at December 31 and June 30, 2017 is $26,000.

On January 19, 2016, the Company issued a convertible debenture for gross proceeds of $2,500. The debenture matures on January 19, 2017. The terms of the debenture require the Company to pay the debenture investor a principal sum of $4,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to forty-five percent of the lowest closing price during the 30 days prior to the conversion. The note balance at December 31 and June 30, 2017 is $4,000.

On February 25, 2016, the Company issued a convertible debenture for gross proceeds of $19,500. The debenture matures on July 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $33,500 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 30 days prior to the conversion. The note balance at December 31 and June 30, 2017 is $33,500.

On February 23, 2016, the Company issued a convertible debenture of $2,500 as a result of a partial transfer of the December 3, 2015 note to a new holder. The debenture matures on July 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $2,500 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 40 days prior to the conversion. The note balance at December 31 and June 30, 2017 is $2,500.

On March 13, 2016, the Company issued a convertible debenture of $3,500 as a result of a partial transfer of the December 3, 2015 note to a new holder. The debenture matures on July 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of $3,500 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 40 days prior to the conversion. The note balance at December 31 and June 30, 2017 is $3,500.

On July 11, 2016, the Company issued a convertible debenture for gross proceeds of $1,200. The debenture matures on January 11 2017. The terms of the debenture require the Company to pay the debenture investor a principal sum of $2,500 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 30 days prior to the conversion. The note balance at December 31 and June 30, 2017 is $2,500.

On July 20, 2016, the Company issued a convertible debenture for gross proceeds of $5,500. The debenture matures on January 20, 2017. The terms of the debenture require the Company to pay the debenture investor a principal sum of $6,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 30 days prior to the conversion. The note balance at December 31 and June 30, 2016 is $6,000.

The conversion price of the notes issued in is based on a variable that is not an input to the fair value of a “fixed-for-fixed” option as defined under FASB ASC Topic No. 815 - 40. The fair value of the notes was recognized as a derivative instrument at the issuance date and is measured at fair value at each reporting period. For convertible debentures issued in the first six months of fiscal 2017, the Company determined that the aggregate fair value of the conversion features was $16,514 at the issuance dates. Debt discount was recorded up to the $8,500 face amount of the note and is amortized to interest expense over the term of the note. The fair value of the conversion feature in excess of the principal amount allocated to the notes in the aggregate amount of $8,014 was expensed immediately as additional interest expense.

No convertible debentures were issued in the six months ended December 31, 2017.

All convertible debentures are in default. A portion of the convertible debentures contain default penalties and default interest rates that go into effect upon receipt of a default notice from the holder. In the instances where a holder has declared a default, in conjunction with the provisions of the individual convertible debenture, the Company has accrued the default interest rate. Accrued interest payable on the convertible notes amounted to $91,074 at December 31, 2017 and $74,821 at June 30, 2017.

Note 5 – Income Taxes

At December 31, 2017, the Company had net operating loss carryforwards for federal income tax purposes of approximately $1,700,000 that expire in the years 2017 through 2032. The Company has provided an allowance for the full value of the related deferred tax asset since it is more likely than not that none of such benefit will be realized. Utilization of the net operating losses may be subject to annual limitations provided by Section 382 of the Internal Revenue Code and similar state provisions.

Due to the loss for the six-month periods ended December 31, 2017 and 2016, the Company has recorded no income tax expense in either of these six-month periods. Due to the loss for the three-month period ended December 31, 2016 and a non-taxable gain from derivatives in the three-month period ended December 31, 2017, the Company has recorded no income tax expense in either of these three-month periods.

Note 6 – Related Party Transactions

The Company owes its Chief Executive Officer unpaid salary of $493,027 and $358,027 as of December 31 and June 30, 2017, respectively. Unpaid salary is recorded as a general and administrative expense and amounted to $135,000 for the six months ended December 31, 2017 and 2016 and $67,500 for the three months ended December 31, 2017 and 2016.

Note 7 – Stockholders' Deficit

At the opening of trading on September 16, 2016, we effected a reverse split of our common stock at a ratio of 1:1800. As a result of the reverse stock split, each of our 1,800 pre-split shares of common stock outstanding automatically combined into one new share of common stock without any action on the part of the respective holders, and the number of outstanding shares of our common stock was reduced from approximately 27.6 billion shares to 1,532,785 shares. The reverse stock split also applied to shares of common stock issuable upon the conversion of outstanding convertible securities.

The Company is authorized to issue 4,500,000,000 shares of its common stock, par value $0.0001. The Company is authorized to issue 250,000,000 shares of preferred stock, par value $1.00

No shares of common stock were issued in the six months ended December 31, 2017. In the six-month period ended December 31, 2016, the Company issued 72,222 shares of restricted common stock to a convertible note holder to retire $6,500 in debt.

Note 8 – Fair Value

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date.

- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: inputs are unobservable inputs for the asset or liability.

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, we base fair value on 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. It is our policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows that could significantly affect the results of current or future value.

Following is a description of valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value where it is practicable to do so for financial instruments not recorded at fair value (disclosures required by the Fair Value Measurements Topic of the FASB Accounting Standards Codification).

Cash and cash equivalents, accounts receivable, and accounts payable

In general, carrying amounts approximate fair value because of the short maturity of these instruments.

Debt

At December 31 and June 30, 2017, debt was carried at its face value plus accrued interest due to the fact that the debt is fully callable by the lender.   Based on the financial condition of the Company, it is impracticable for the Company to estimate the fair value of the short and long-term debt.

Liabilities Measured and Recognized at Fair Value on a Recurring Basis

The following table presents the amounts of liabilities measured at fair value on a recurring basis as of December 31 and June 30, 2017.

Derivative Liability

The fair value of the derivatives that are traded in less active over-the counter markets are generally measured using pricing models with market observable inputs such as interest rates and equity index levels. These measurements are classified as Level 3 within the fair value of hierarchy.

	Total	(Level 1)	(Level 2)	(Level 3)
December 31, 2017				
Derivative liability	$3,164,731	—	—	$3,164,731
June 30, 2017				
Derivative liabilities	$909,586	—	—	$909,586

The Company has no instruments with significant off balance sheet risk.

Note 9 – Subsequent Events

On February 1, 2018, the Company issued a convertible debenture for gross proceeds of $35,000. The debenture matures on February 1, 2019. The terms of the debenture require the Company to pay the debenture investor a principal sum of $45,000 with 12% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest trading price during the 30 days prior to the conversion.

On February 1, 2018, the Company issued a convertible debenture in exchange for a reduction in principal payable of $17,000 and interest payable of $3,000 on a convertible debenture that was originally issued on November 5, 2015. The new debenture matures on February 1, 2019. The terms of the debenture require the Company to pay the debenture investor a principal sum of $20,000 with 12% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock at a conversion price equal to the lower of $0.0023 per share or fifty percent of the lowest trading price during the 40 days prior to the conversion.

On February 1, 2018, the Company issued a convertible debenture for gross proceeds of $10,000. The debenture matures on August 1, 2018. The terms of the debenture require the Company to pay the debenture investor a principal sum of $15,000 with 8% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest trading price during the 30 days prior to the conversion.

One February 22, 2018, the Company issued 415,983 shares of restricted Common Stock for a one-year investor relations contract.

On February 28, 2018, the Company entered into two asset purchase agreements with a non-affiliated individual (the "Seller"), pursuant to which it contemporaneously acquired certain assets which will allow the Company, subject to the Company applying for and being issued the required licenses, to establish a legal medicinal and recreational marijuana grow operation in California. The Company hired the Seller to be the Company's Chief Operating Officer on March 3, 2018. The assets purchased include a state-of-the-art indoor hydroponics facility, eleven greenhouses, various permits and additional fixtures, equipment and supplies. The purchase price for the assets consisted of 20,000,000 shares of our common stock issued to the Seller and $15,000,000 in cash payable in installments over a two-year period. In July 2018, the Company and the Seller amended the purchase agreements to reduce the amount of assets purchased and to reduce the promissory note component of the purchase price to $7,000,000. The promissory note will not be issued until the cannabis licenses are acquired by the Company. The 20,000,000 shares of common stock were issued immediately.

On March 1, 2018 the Company issued 15,000,000 shares of restricted Common Stock to its Chief Executive Officer, as payment of $501,000 in accrued compensation.

On March 1, 2018, the Company issued a convertible debenture for gross proceeds of $4,000. The debenture matures on September 1, 2018. The terms of the debenture require the Company to pay the debenture investor a principal sum of $7,500 with 8% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest trading price during the 30 days prior to the conversion.

On March 3, 2018, the Company hired a Chief Operating Officer for a base salary of $42,500 and $49,500 for the periods ending December 31, 2018 and 2019, respectively, payable in Common Stock of the Company at a conversion rate of $0.125 per share.

On April 1, 2018, the Company issued a convertible debenture for gross proceeds of $8,500. The debenture matures on October 1, 2018. The terms of the debenture require the Company to pay the debenture investor a principal sum of $12,500 with 8% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest trading price during the 30 days prior to the conversion.

On April 1, 2018, the Company sold 150,000 shares of its Common Stock for $10,500.

On June 1, 2018, the Company sold 150,000 shares of its Common Stock for $10,500.

On July 2, 2018, the Company sold 160,000 shares of its Common Stock for $4,000.

On September 11, 2018, the Securities and Exchange Commission (the “SEC”) issued an order of suspension of trading of the common stock of the Company because of a lack of current and accurate information concerning the securities of the Company. The Company has been in contact with the SEC to lift the suspension. The filing of this Quarterly Report on Form 10-Q and the subsequent filings of two quarterly reports on Form 10-Q and an Annual Report on Form 10-K for the year ended June 30, 2018 would satisfy the delinquency. The Company is making efforts to be current with its filings and to have the suspension order removed.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This quarterly report on Form 10-Q and other reports filed by the Company from time to time with the U.S. Securities and Exchange Commission (collectively, the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, the Company's management as well as estimates and assumptions made by Company's management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. When used in the Filings, the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan," or the negative of these terms and si expressions as they relate to the Company or the Company's management identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result. The following discussion should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this report.

Overview

We began operating as a cannabis-delivery operation in California, in fiscal 2017, by making deliveries to individuals who had a doctor's prescription for medical marijuana. We stopped our delivery operation activities in fiscal 2018, and entered into an asset purchase agreement that allows us to purchase 11 greenhouses, with equipment fixtures and supplies, and gives us the ability to assume ownership of 15 cannabis licenses in California. The licenses are for indoor cultivation, outdoor cultivation, processing, distribution and non-volatile extraction. Upon issuance of the licenses to our Company, we will issue a $7,000,000 promissory note to the seller. We have already issued 20 million shares of common stock, valued at $796,000 to the seller in conjunction with the purchase. We believe the value of the assets purchased in the three California locations and the 15 licenses is approximately $11 million. We hired the seller of these properties to be our Chief Operating Officer.

We initially entered the cannabis industry when the Company signed a letter of intent to purchase all the outstanding membership interest units of PR Management LLC ("PR"), which had a contract to deliver medical marijuana to patients who possessed a valid doctor's prescription. During a due diligence period from January 2017 to August 2017, the Company worked alongside PR and performed services that included advertising, acquiring customers and delivering product to customers. The primary source of the Company's revenue is from delivery of cannabis and related products to patients with a valid doctor's prescription for medical marijuana. 100% of the Company's revenue came as a result of its relationship with PR. Upon completion of its due diligence in August 2017, the Company elected not to go forward with the acquisition of PR and revenue generation ceased. In February 2018, the Company entered into a purchase agreement noted above to acquire marijuana cultivation facilities, and it plans to continue its cannabis-related business with grow facilities in San Berdino County, California.

Currently, thirty states and the District of Columbia permit some form of whole-plant cannabis use and cultivation either for medical or recreational use. There are efforts in many other states to begin permitting cannabis use and/or cultivation in various contexts, and it has been reported that several states are actively considering bills to permit recreational use or to decriminalize the use of marijuana. However, the federal government continues to prohibit cannabis in all its forms as well as its derivatives. Under the federal Controlled Substances Act (the "CSA"), the policy and regulations of the federal government and its agencies is that cannabis has no medical benefit, and a range of activities including cultivation and use of cannabis is prohibited. Until Congress amends the CSA or the executive branch reschedules cannabis under it, there is a risk that federal authorities may enforce current federal law. Enforcement of the CSA by federal authorities could impair the Company's revenue and profit, and it could even force the Company to cease operating entirely in the cannabis industry. The risk of strict federal enforcement of the CSA in light of congressional activity, judicial holdings, and stated federal policy, including enforcement priorities, remains uncertain.

Our limited operating history and the uncertain nature of our future operations and the markets we address or intend to address make prediction of our future results of operations difficult. Our operations may never generate significant revenues, and we may never achieve profitable operations.

Results of Operations

For the Six Months Ended December 31, 2017 Compared to the Six Months Ended December 31, 2016

Revenue increased by $70,211, to $70,211 for the six months ended December 31, 2017 from $0 reported in the six months ended September 30, 2016. The increase is attributable to operations of our cannabis-delivery business during fiscal 2018. This revenue only occurred in the first three months of our fiscal year as our delivery operations have ceased.

Cost of goods sold increased by $42,345, to $42,345 for the six months ended September 30, 2017 from $0 reported in the six months ended September 30, 2016. The increase is attributable to operations of our cannabis-delivery business during fiscal 2018.

General and administrative expenses increased by $6,268 to $146,966 for the six months ended December 31, 2017 from $140,698 reported in the six months ended December 31, 2016. The increase is primarily attributable to operating expenses in fiscal 2018 for our cannabis-delivery operation.

Professional fees decreased by $31,102 to $6,000 for the six-months ended December 31, 2017 from $37,102 reported in the six-months ended December 31, 2016. The decrease is primarily attributable to legal fees related to our reverse split in September of 2016.

We incurred no consulting fees for the six-months ended December 31, 2016 as compared to $7,026 in consulting fees in the six-months ended December 31, 2017. The increase is attributable to operations of our cannabis-delivery business during fiscal 2018.

For the six months ended December 31, 2016 we had a non-cash gain on the change in value of derivative liabilities of $6,321, as compared to a loss of $2,255,145 in the six months ended December 31, 2017. The gain was due to the lower market value of embedded derivatives in our debt instruments, at the end of the quarter, in comparison with the market value when the debt originated, and the loss was a result of the market value of the embedded derivative being significantly higher at December 31, 2017 than the market value when the debt originated

For the Three Months Ended December 31, 2017 Compared to the Three Months Ended December 31, 2016

The Company generated no revenue and no cost of good sold during the three-month periods ended December 31, 2017 and 2016.

General and administrative expenses decreased by $1,873 to $68,118 for the three-months ended December 31, 2017 from $69,991 reported in the three-months ended December 31, 2016. The decrease is attributable to slightly lower spending in the quarter ended December 31, 2017.

Professional fees decreased by $1,557 to $3,000 for the three-months ended December 31, 2017 from $4,557 reported in the three-months ended December 31, 2016. The decrease is attributable to a decrease in legal fees.

For the three months ended December 31, 2016 we had a non-cash gain on the change in value of derivative liabilities of $64,239 as compared to a gain of $770,132 in the three months ended December 31, 2017. The large gain in 2017 was the result of the market value of the embedded derivative being significantly higher at December 31, 2017 than the market value when the debt originated.

Liquidity and Capital Resources

At December 31, 2017, we had cash and cash equivalents of $0 and negative working capital of $4,348,651 as compared to cash and cash equivalents of $1,939 and negative working capital of $1,933,060 at June 30, 2017.

Net cash used in operating activities amounted to $1,939 and $6,700 in the six-months ended December 31, 2017 and 2016, respectively. The principal use of cash from operating activities in the six-months ended December 31, 2017 was the net loss of $2,415,591, which was offset by and an increase in the market value of derivatives of 2,255,145 and an increase in operating liabilities of $158,507. The principal use of cash from operating activities in the six-months ended December 31, 2016 was the net loss of $226,584, which was offset by two non-cash items, amortization of debt discounts of $38,842 and a decrease in the fair market value of derivatives of $6,321. In addition, there was an increase in operating liabilities of $187,363.

There was no investing activity in the six-months ended December 31, 2017 and 2016.

Net cash provided by financing activities aggregated $0 and $6,700 in the six-months ended December 31, 2017 and 2016, respectively. The proceeds came from the sale of convertible notes.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of our company as a going concern. However, we have sustained net losses from operations during the last several years, and we have very limited liquidity. Our operating losses have been funded through the issuance of equity securities and borrowings. Management anticipates that we will be dependent, for the near future, on our ability to obtain additional capital to fund our operating expenses and anticipated growth. The report of our independent registered public accounting firm expresses substantial doubt about our ability to continue as a going concern. Our operating losses have been funded through the issuance of equity securities and borrowings.

Although we have improved our balance sheet with transactions to settle our debt, we continue to have liabilities in excess of our assets. We are working to settle our remaining liabilities and to raise cash to support our operating loss, and we continually consider a variety of possible sources. We are in default of most of our debt agreements. In the current economic environment, the procurement of outside funding is extremely difficult and there can be no assurance that such financing will be available, or, if available, that such financing will be at a price that will be acceptable to us. If we are unable to generate sufficient revenues or raise additional capital, our operations will terminate.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide information under this item.

Item 4. Controls and Procedures.

(a) Disclosure Controls and Procedures.

The Company’s management, with the participation of the Company’s principal executive officer (“PEO”) / principal financial officer (“PFO”), evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on this evaluation, the PEO / PFO concluded that, as of the end of such period, the Company’s disclosure controls and procedures were not effective to ensure that information that is required to be disclosed by the Company in the reports it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to the Company’s management, including the PEO / PFO, as appropriate, to allow timely decisions regarding required disclosure. The material weaknesses in our disclosure controls and procedures consisted of:

There is a lack of accounting personnel with the requisite knowledge of Generally Accepted Accounting Principles in the US (“GAAP”) and the financial reporting requirements of the SEC;

There are insufficient written policies and procedures to insure the correct application of accounting and financial reporting with respect to the current requirements of GAAP and SEC disclosure requirements; and

There is a lack of segregation of duties, in that we only had one person performing all accounting-related duties.

(b) Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide information under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None, except as described in Note 4 – Principal Financing Arrangements.

Item 4. Mine Safety Disclosures.

Not applicable**.**

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Document
31	Certification by the Principal Executive and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).
32	Certification by the Principal Executive and Principal Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Rule 13a-14(b) Certification)
EX-101.INS	XBRL Instance Document
EX-101.SCH	XBRL Taxonomy Extension Schema
EX-101.CAL	XBRL Taxonomy Extension Calculation Linkbase
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase
EX-101.LAB	XBRL Taxonomy Extension Label Linkbase
EX-101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: : November 13, 2018 **GOLDEN GLOBAL CORP.**

By: *[/s/ Erik Blum]*
Erik Blum
Chairman of the Board and Chief Executive Officer