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

FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2019

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT**
For the transition period from ______ to _______

Commission File Number 000-54524

APPLIFE DIGITAL SOLUTIONS, INC.
(Name of small business issuer in its charter)

Nevada	**30-0678378**
(State of incorporation)	(I.R.S. Employer Identification No.)

555 California St, #4925
San Francisco, CA 94104
(Address of principal executive offices)
1 (415) 659 1564
(Registrant's telephone number)

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

Indicate by check mark whether the registrant has submitted electronically 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 (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

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

Large accelerated filer	☐	**Accelerated filer**	☐
Non-accelerated filer	☐	**Smaller reporting company**	☒
(Do not check if smaller reporting company)		**Emerging growth company**	☒

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

☐ Yes ☒ No

As of May 15, 2019, there were 117,959,674 shares of the registrant's $0.001 par value common stock issued and outstanding.

APPLIFE DIGITAL SOLUTIONS, INC.*

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Special Note Regarding Forward-Looking Statements

Information included in this Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). This information may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of APPlife Digital Solutions, Inc. (the "Company"), to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that these projections included in these forward-looking statements will come to pass. Actual results of the Company could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, the Company has no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

**Please note that throughout this Quarterly Report, except as otherwise indicated by the context, references in this report to "Company", "APHD", "we", "us" and "our" are references to APPlife Digital Solutions, Inc.*

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APPLIFE DIGITAL SOLUTIONS, INC.
CONDENSED BALANCE SHEETS

		March 31, 2019		June 30, 2018
		Unaudited		Audited
ASSETS				
Current Assets				
Cash	$	70,637	$	11,490
Prepaid expenses and other current assets		-		10,000
Total Current Assets		70,637		21,490
Investment (cost method at June 30, 2018, equity method at March 31, 2019)		535,716		100,000
(Decrease) in equity method investment		(10,589)		-
Total Assets	$	595,764	$	121,490
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Current Liabilities				
Accounts payable and accrued expenses	$	32,036	$	26,497
Due to officer		9,580		9,580
Due to Smartrade Exchange Services, Inc.		118,000		100,000
Notes payable		84,000		73,000
Common stock payable		15,000		-
Total Current Liabilities		258,616		209,077
Stockholders’ equity (deficit)				
Common stock, $0.001 par value, 500,000,000 shares authorized; 117,959,674 and 17,239,093 shares issued and outstanding as of March 31, 2019 and June 30, 2018, respectively		117,959		17,239
Additional paid-in capital		1,335,706		67,761
Accumulated deficit		(1,116,517)		(172,587)

	337,148	(87,587)
Total Stockholders' Equity (Deficit)	337,148	(87,587)
Total Liabilities and Stockholders' Equity (Deficit)	$ 595,764	$ 121,490

The accompanying notes are an integral part of these unaudited condensed financial statements

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APPLIFE DIGITAL SOLUTIONS, INC.
UNAUDITED CONDESNED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2019	**Nine Months Ended March 31, 2019**	**From March 5 (Inception) to March 31, 2018**
Revenues	$ -	$ -	$ -
Operating expenses	467,859	928,718	-
Total operating expenses	467,859	928,718	-
Loss from operations	(467,859)	(928,718)	-
Other Expense			
Loss from equity method investment	(10,589)	(10,589)	-
Interest expense	(557)	(4,623)	-
Net Loss	$ (479,005)	$ (943,930)	-
Basic and diluted loss per share	$ (0.02)	$ (0.04)	$ 0.00
Average number of common shares outstanding - basic and diluted	27,944,425	24,899,587	15,850,202

The accompanying notes are an integral part of these unaudited condensed financial statements

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APPLIFE DIGITAL SOLUTIONS, INC.

UNAUDITED CONDENSED STATEMENT OF STOCKHOLDER'S EQUITY (DEFICIT)

	Common Stock				Additional		Accumulated		Total Stockhol
	Shares		Amount		Paid-In Capital		Deficit		Equity (Defic
nce, June 30, 2018	17,239,093	$	17,239	$	67,761	$	(172,587)	$	(87,5
ommon stock issued for ash	10,386,102		10,386		615,152		-		625,5
ommon stock issued to mployees	90,000,000		90,000		632,657		-		722,6
ommon stock issued for ervices	334,479		334		20,136		-		20,4
et loss	-		-		-		(943,930)		(943,9
nce, March 31, 2019	117,959,674	$	117,959	$	1,335,706	$	(1,116,517)	$	337,1

	Common Stock				Additional		Accumulated		Total Stockhol
	Shares		Amount		Paid-In Capital		Deficit		Equity (Defic
nce, March 5, 2018 ption)	-	$	-	$	-	$	-	$	
ommon stock issued to ounders	15,850,202		15,850		(15,850)		-		
et loss	-		-		-		-		
nce, March 31, 2018	15,850,202	$	15,850	$	(15,850)	$	-	$	

The accompanying notes are an integral part of these unaudited condensed financial statements

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APPLIFE DIGITAL SOLUTIONS, INC.
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

	Nine Months Ended March 31, 2019	From March 5 (Inception) March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (943,930)	$ -
Adjustment to reconcile change in net loss to net cash used in operating activities:		
Issuance of common stock for services	20,470	-
Issuance of common stock to employee	722,657	-
Loss from equity method investment	10,589	-
Common stock payable	15,000	
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	10,000	-
Accounts payable and accrued expenses	5,539	-
NET CASH USED IN OPERATING ACTIVITIES	(159,675)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for investment	(317,716)	-
NET CASH USED IN INVESTING ACTIVITIES	(317,716)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	11,000	-
Payment on notes payable	(100,000)	-
Proceeds from issuance of common stock	625,538	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	536,538	-
Net increase in cash and cash equivalents	59,147	-
Cash and cash equivalents, beginning of period	11,490	-

Cash and cash equivalents, end of period	$	70,637	$	-
SUPPLEMENTAL NON-CASH DISCLOSURE:				
Founder's shares	$	-	$	15,850
Due to Smartrade Exchange Services, Inc.	$	118,000	$	-
Cash paid for interest	$	-	$	-
Cash paid for taxes	$	-	$	-

The accompanying notes are an integral part of these unaudited condensed financial statements

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APPLIFE DIGITAL SOLUTIONS, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

1.ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

APPlife Digital Solutions, Inc. (the “Company”) was formed March 5, 2018 in Nevada and has offices in San Francisco, California and Shanghai, China. The Company’s mission is using digital technology to create APPs and websites that make life, business and living easier, more efficient and just smarter.

Going Concern

The Company has generated losses and negative cash flows from operations since inception. The Company has historically financed its operations from equity financing. The Company anticipates additional equity financings to fund operations in the future. Should management fail to adequately address the issue, the Company may have to reduce its business activities or curtail its operations.

The accompanying financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and classification of liabilities and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classifications of liabilities that might result if the Company is unable to continue as a going concern.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States, or U.S. GAAP for the interim financial information and the instructions to Form 10Q and Rule 8-03 of Regulation S-X.

The balance sheet as of June 30, 2018 is as reported in our audited financial statements as of that date but does not contain all of the footnote disclosures from the annual financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

Our accounting policies are described in the notes to our June 30, 2018 financial statements, which were included in our Form S-1 for the stub period ended June 30, 2018. We recommend that the financial statements included in our Quarterly Report on Form 10-Q be read in conjunction with the financial statements and notes included in our Form S-1 for the stub period ended June 30, 2018. The Company assumes that the users of the interim financial information herein have read, or have access to, the audited consolidated financial statements for the preceding period, and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The results of operations for the period ended March 31, 2019 are not necessarily indicative of results for the entire year ending June 30, 2019.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers cash equivalents to include cash and investments with an original maturity of three months or less.

Income Taxes

The Company has adopted guidance issued by the FASB that clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold of more likely than not and a measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In making this assessment, a company must determine whether it is more likely than not that a tax position will be sustained upon examination, based solely on the

technical merits of the position and must assume that the tax position will be examined by taxing authorities. The Company’s policy is to include interest and penalties related to unrecognized tax benefits in income tax expense. Interest and penalties totaled $0 for the period from March 5, 2018 (inception) to March 31, 2019. The Company files income tax returns with the Internal Revenue Service (“IRS”) and the state of California.

Use of Estimates

Generally accepted accounting principles require that the financial statements include estimates by management in the valuation of certain assets and liabilities. Significant matters requiring the use of estimates and assumptions include, but are not necessarily limited to, fair value of the Company's stock, stock based compensation, and valuation allowance relating to the Company's deferred tax assets. Management uses its historical records and knowledge of its business in making these estimates. Management believes that its estimates and assumptions are reasonable, based on information that is available at the time they are made. Accordingly, actual results could differ from those estimates.

Stock Based Compensation

The Company accounts for share-based compensation in accordance with the fair value recognition provision of FASB ASC 718, Compensation – Stock Compensation ("ASC 718"), prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on the estimated grant date fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for share-based compensation issued to non-employees and consultants in accordance with the provisions of FASB ASC 505, Equity–based Payments to Non-Employees ("ASC 505"). Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

Net Loss per Share

Basic net loss per share is calculated by dividing the net loss for the period by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is calculated by dividing the net loss for the period by the weighted-average number of common shares outstanding during the period, increased by potentially dilutive common shares ("dilutive securities") that were outstanding during the period. Dilutive securities include stock options and warrants granted, convertible debt, and convertible preferred stock. There were no potentially dilutive securities for the period ended March 31, 2019.

Fair Value of Financial Instruments

The Company follows FASB ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820") to measure and disclosure the fair value of its financial instruments. ASC 820 establishes a framework for measuring fair value in U.S. GAAP and expands disclosures about fair value measurements and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The three levels of fair value hierarchy defined by ASC 820 are described below:

Level 1Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3Pricing inputs that are generally unobservable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts reported in the Company's financial statements for cash, accounts payable and accrued expenses approximate their fair value because of the immediate or short-term nature of these financial instruments.

Equity Method Investments

We began accounting for our ownership in Smartrade Exchange Services, Inc ("Smartrade") using the equity method of accounting during the quarter ended March 31, 2019. In prior periods, the investment was accounted for under the cost method. The equity method states that if the investment provides us the ability to exercise significant influence, but not control, over the investee, we account for the investment under the equity method. Significant influence is generally deemed to exist if the Company's ownership interest in the voting stock of the investee ranges between 20% and 50%, although other factors, such as representation on the investee's board of directors, are considered in determining whether the equity method of accounting is appropriate. Under the equity method of accounting, the investment is recorded at its initial carrying value in the balance sheet and is periodically adjusted for capital contributions, dividends received and our share of the investee's earnings or losses together with other-than-temporary impairments which are recorded as a component of other income (expense), net in the statements of operations. Our effective ownership in Smartrade was 25% and 4.66% at March 31, 2019 and June 30, 2018. See note 2.

Recent Accounting Pronouncements

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825)". ASU 2016-01 revises the classification and measurement of investments in certain equity investments and the presentation of certain fair value changes for certain financial liabilities measured at fair value. ASU 2016-01 requires the change in fair value of many equity investments to be recognized in net income. ASU 2016-01 is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted. The adoption of ASU 2016-01 did not have a material impact to the Company's financial statements.

2.INVESTMENT IN SMARTRADE EXCHANGE SERVICES, INC.

On May 3, 2018, the Company entered into an agreement ("Subscription Agreement") to purchase 21% of Smartrade Exchange Services, Inc. ("Smartrade") for $450,000 in various tranches based on defined milestones. Payment shall be made in five installments, each are 45 days apart, over six months beginning on October 15, 2018, as each milestone is completed. On the date the agreement, Smartrade issued 4.66% of its common stock, on a fully diluted basis, to the Company. In exchange, the Company paid the first installment to Smartrade of $100,000 on October 16, 2018.

On September 4, 2018, the Company acquired an additional 3% of Smartrade's common stock for $64,286. On October 18, 2018, the Company entered into an agreement to purchase an additional 1% of Smartrade's common stock for $21,429 and receive a royalty of 2.5% of gross revenues of Smartrade to be distributed on

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a quarterly basis. On December 7, 2018, the Company paid the second installment of $100,000 for an additional 4.66% of Smartrade's common stock. On January 18, 2019, the Company paid the third installment of 100,000 for an additional 4.66 % of Smartrade's common stock.

On March 5, 2019, the Company amended the Subscription Agreement that changed the final two payments. In accordance with the terms of the amendment, on March 6, 2019, the Company paid $32,000 for 7.02% and the remaining $118,000 will be paid in agreed upon monthly payments. This payment brought the total equity position in Smartrade to 25%. Accordingly, at March 5, 2019, the Company changed its method of accounting the investment in Smartrade to the equity method.

At March 31, 2019 and June 30, 2018, respectively, the Company owned 25% and 4.66% of Smartrade's common stock.

3.NOTES PAYABLE

In March 2018, the Company engaged GHS Investments, LLC (“GHS”) to provide funding. GHS paid expenses on behalf of the Company and charged a commitment fee in the form of promissory notes. The notes carry an 8% annual interest rate that mature through January 14, 2019 and the balance of notes payable was $84,000 and $73,000 at March 31, 2019 and June 30, 2018, respectively. Interest expense accrued during the three- and nine-months ending March 31, 2019 was $557 and $4,623, respectively. There was no interest expense from March 5, 2018 (inception) to March 31, 2018.

4.RELATED PARTY TRANSACTIONS

Due to Officer

During the period from March 5, 2018 (inception) to June 30, 2018, the Company received advances from its officer to pay for operating expenses. The balance due to the officer at March 31, 2019 and June 30, 2018 was $9,580. There are no definitive repayment terms and no interest is accruing on these advances.

Due to Smartrade

At March 31, 2019 and June 30, 2018, the Company had a balance payable totaling $118,000 and $100,000, respectively, for the purchase of interest in Smartrade (See note 2).

5.CONCENTRATIONS

Cash Concentration

The Company maintains its cash and cash equivalents at a financial institution which may, at times, exceed federally insured limits. At March 31, 2019, the Company’s cash balance exceeded the FDIC insurance limit. The Company has not experienced any losses in such accounts.

6.COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time the Company may be involved in certain legal actions and claims arising in the ordinary course of business. The Company was not a party to any specific legal actions or claims at March 31, 2019.

Agreements

On April 4, 2018, the Company entered into an agreement with GHS, where the Company is entitled, at its sole discretion, to request equity investments of up to $5 million over twenty-four months following an effective registration of the underlying shares.

Common Stock Payable

As of March 31, 2019, the Company owes a vendor $15,000 worth of common stock for services rendered.

7. SHAREHOLDERS' EQUITY (DEFICIT)

Common Stock

As of March 31, 2019, and June 30, 2018, there were 117,959,674 and 17,239,093 shares of common stock issued and outstanding, respectively.

During the nine months ended March 31, 2019, the Company issued 10,386,102 shares of common stock pursuant to subscription agreements between $0.049 and $0.0875 per share, or $625,538.

During the nine months ended March 31, 2019, the Company issued 334,479 shares of common stock to consultants for services valued between $0.0612 and $0.0625 per share, or $20,470.

During the nine months ended March 31, 2019, the Company issued 90 million shares of restricted common stock to the officer as compensation for services as Chief Executive Officer. The shares vest over four years and were valued at $0.0625 per share. The shares are being expensed over four years, or $1.4 million per year. For the three and nine months ended March 31, 2019, $351,563 and $722,657 of stock compensation was recognized, respectively.

There was no income or expense during the period from March 5, 2018 (inception) to March 31, 2018.

The Company determined fair value of its shares of common stock based on the price at which the Company was selling its shares of common stock to third party investors.

8. SUBSEQUENT EVENTS

The Company has evaluated subsequent events after the balance sheet date through the date of this filing and found that there were no material events to disclose during this time.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our plan of operation should be read in conjunction with the financial statements and related notes that appear elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in "Risk Factors" beginning on page 18 of this prospectus. All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made.

Overview

APPlife Digital Solutions, Inc. (the "Company") was formed March 5, 2018, in Nevada and has offices in San Francisco, California and Shanghai, China. Our office in San Francisco, California allows us to take advantage of the marketing opportunities available in the United States as well as keeping close proximity to sources of capital whether it is debt or equity. Our offices in Shanghai, China allows us to take advantage of a high concentration of skilled tech coders and developers at lower capital costs than in more developed countries such as the United States or Europe. The Company's mission is using digital technology to create and invest in APPs and websites that make life, business and living easier, more efficient and just smarter.

Plan of Operation

During the next twelve months, the Company plans to complete the current projects we have already begun coding. Our marketing and business management/executive team will operate from both Shanghai China and our offices in San Francisco. We will continue to explore new concepts and opportunities to invest in projects that meet our criteria. Our business model is to develop and build out our Drinx and Rooster Apps and web-based business over the next year. We plan to engage multiple resources and partners to market our first two completed projects B2BCHX and Smartrade. We anticipate that Drinx and Rooster will launch and be marketed within the next twelve months. In additional to our App development, we intend to find projects that can be assisted by our marketing and capitalization capabilities where we can play an active role in the project's success.

Results of Operations

Revenue

Since inception through the period ended March 31, 2019, we did not generate any revenue. The Company has been in the process of marketing and developing its apps, hiring developers and coders, incurring professional fees for registering its common stock and identifying other apps and partnerships to generate revenues as the Company expands its operations.

Operating Loss

For the three and nine months ended March 31, 2019 we had operating expenses of $467,859 and $928,718, respectively. This loss was due primarily to the stock compensation to the CEO and professional fees paid to consultants.

There was no income or expense during the period from March 5, 2018 (inception) to March 31, 2018.

Other Expense

For the three and nine months ended March 31, 2019, we incurred $11,146 and $15,212 of other expense, respectively, was due to loss from equity method investment and interest expense. There was no income or expense during the period from March 5, 2018 (inception) to March 31, 2018.

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Net loss

We reported a net loss of $479,005 and $943,930 for the three and nine months ended March 31, 2019, respectively. There was no income or expense during the period from March 5, 2018 (inception) to March 31, 2018.

Working Capital

	March 31, 2019	June 30, 2018
Current assets	$ 70,637	$ 21,490
Current liabilities	258,616	209,077
Working capital / (deficit)	$ (187,979)	$ (187,587)

We anticipate generating losses and, therefore, may be unable to continue operations in the future. If we require additional capital, we would have to issue debt or equity or enter into a strategic arrangement with a third party.

Going Concern

As reflected in the accompanying financial statements, the Company has no revenue generating operations and has an accumulated deficit $1,116,517 and $172,587 as of March 31, 2019 and June 30, 2018, respectively. In addition, the Company has experienced negative cash flows from operations since inception. This raises substantial doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital and implement its business plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company anticipates additional equity financings to fund operations in the future. Should management fail to adequately address the issue, the Company may have to reduce its business activities or curtail its operations.

Liquidity and Capital Resources

	Nine Months Ended March 31, 2019	From March 5 (Inception) to March 31, 2018
Net Cash Used in Operating Activities	$ (159,675)	$ -
Net Cash Used in Investing Activities	(317,716)	-
Net Cash Provided by Financing Activities	536,538	-
Net Increase in Cash	$ 59,147	$ -

Our cash was $70,637 at March 31, 2019. We recorded a net loss of $943,930 for the nine months ended March 31, 2019. We expect our expenses will continue to increase during the foreseeable future as a result of increased operations and the development of our apps and business operations. We anticipate generating revenues with our B2BCHX app, but only minimal revenues for our other apps over the next twelve months. Consequently, we are dependent on the proceeds from future debt or equity investments to sustain our operations and implement our business plan. If we are unable to raise sufficient capital, we will be required to delay or forego some portion of our business plan, which would have a material adverse effect on our anticipated results from operations and financial condition. There is no assurance that we will be able to obtain necessary amounts of capital or that our estimates of our capital requirements will prove to be accurate.

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We presently do not have any significant credit available, bank financing or other external sources of liquidity. Due to our operating losses, our operations have not been a source of liquidity. We will need to obtain additional capital in order to expand operations and become profitable. In order to obtain capital, we may need to sell additional shares of our common stock or borrow funds from private lenders. There can be no assurance that we will be successful in obtaining additional funding.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities may result in dilution to existing stockholders. If additional funds are raised through the issuance of debt securities, these securities may have rights, preferences and privileges senior to holders of common stock and the terms of such debt could impose restrictions on our operations. Regardless of whether our cash assets prove to be inadequate to meet our operational needs, we may seek to compensate providers of services by issuance of stock in lieu of cash, which may also result in dilution to existing shareholders. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect significant amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing.

No assurance can be given that sources of financing will be available to us and/or that demand for our equity/debt instruments will be sufficient to meet our capital needs, or that financing will be available on terms favorable to us. If funding is insufficient at any time in the future, we may not be able to take advantage of business opportunities or respond to competitive pressures or may be required to reduce the scope of our planned marketing efforts and development of our apps, any of which could have a negative impact on our business and operating results. In addition, insufficient funding may have a material adverse effect on our financial condition, which could require us to:

·Curtail the development of our apps,

·Seek strategic partnerships that may force us to relinquish significant rights to our apps, or

·Explore potential mergers or sales of significant assets of our Company.

Investing Activities

On May 3, 2018, the Company entered into an agreement ("Subscription Agreement") to purchase 21% of Smartrade On May 3, 2018, the Company entered into an agreement ("Subscription Agreement") to purchase 21% of Smartrade Exchange Services, Inc. ("Smartrade") for $450,000 in various tranches based on defined milestones. Payment shall be made in five installments, each are 45 days apart, over six months beginning on October 15, 2018, as each milestone is completed. On the date the agreement, Smartrade issued 4.66% of its common stock, on a fully diluted basis, to the Company. In exchange, the Company paid the first installment to Smartrade of $100,000 on October 16, 2018.

On September 4, 2018, the Company acquired an additional 3% of Smartrade's common stock for $64,286. On October 18, 2018, the Company entered into an agreement to purchase an additional 1% of Smartrade's common stock for $21,429 and receive a royalty of 2.5% of gross revenues of Smartrade to be distributed on a quarterly basis. On December 7, 2018, the Company paid the second installment of $100,000 for an additional 4.66% of Smartrade's common stock. On January 18, 2019, the Company paid the third installment of 100,000 for an additional 4.66 % of Smartrade's common stock.

On March 5, 2019, the Company amended the Subscription Agreement that changed the final two payments. In accordance with the terms of the amendment, on March 6, 2019, the Company paid $32,000 for 7.02% and the remaining $118,000 will be paid in agreed upon monthly payments. This payment brought the total equity position in Smartrade to 25%. Accordingly, at March 5, 2019, the Company changed its method of accounting the investment in Smartrade to the equity method.

At March 31, 2019 and June 30, 2018, respectively, the Company owned 25% and 4.66% of Smartrade's common stock.

Smartrade has not created formal governance documents for their board of directors and the current board operates in an advisory capacity only and simply consults with the officers of Smartrade. The board of directors has no direct control over the day to day operations of Smartrade.

Smartrade is a cryptocurrency exchange platform that allows retail customers to buy and sell cryptocurrencies for their personal accounts. We assist Smartrade with marketing, but we are not involved in the day to day operations of Smartrade or its exchange platform. This arrangement enables us to review Smartrade's marketing and advertising materials so that we can attempt to prevent Smartrade from releasing any illegal or incorrect information. We also created the name brand of 'Smartrade" and our arrangement will enable us to protect both the brand name and the Company, however there can be no assurance that this arrangement will provide us with the ability to prevent illegal or incorrect information from being released or that the brand name will be protected.

Smartrade is operating in Canada, parts of the European Union, South America and Asia. They are not operating in the Unites States. Any new accounts opened by Unites States citizens are rejected based on home address or identification from the US turned in during the KYC process. We believe that our investment in Smartrade will provide additional revenue to the Company as Smartrade expands into other markets, as well as adopting more cryptocurrencies to buy and sell for its customers pending necessary regulatory approvals.

Financing Activities

On April 4, 2018, the Company engaged GHS Investments, LLC ("GHS") to provide funding. GHS paid expenses on behalf of the Company and charged a commitment fee in the form of promissory note. The notes carry an 8% annual interest rate and the balance of notes payable at March 31, 2019 was $84,000. During the nine months ended March 31, 2019, the Company raised $625,538 from the sale of common stock and received additional proceeds of $11,000 from issuance of notes payable. Interest expense accrued for the three and nine months ended March 31, 2019 was $1,557 and $6,120, respectively. There was no income or expense during the period from March 5, 2018 (inception) to March 31, 2018.

Professional Fees

Professional fees were $80,213 and $109,215 for the three and nine months ended March 31, 2019, respectively. There was no income or expense during the period from March 5, 2018 (inception) to March 31, 2018.

The Company expects professional fee costs to increase as the Company is a public reporting company with the Securities and Exchange Commission, which requires that it maintain relationships with both PCAOB registered audit firms and securities counsel to assist with the SEC reporting requirements. In addition, the Company may also attempt to purchase other entities or assets and operations of other entities if the advantageous situation presents itself. This could require the Company to incur substantial professional fees.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("GAAP") and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported in its financial statements and accompanying notes. Note 1, "Summary of Significant Accounting Policies," of the Notes to Financial Statements included in this Form 10-Q, describes the significant accounting policies and methods used in the preparation of the Company's financial statements. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates, and such differences may be material.

Management believes the Company's critical accounting policies and estimates are those related to revenue recognition. Management considers these policies critical because they are both important to the portrayal of the Company's financial condition and operating results, and they require management to make judgments and estimates about inherently uncertain matters. The Company's management has reviewed these critical accounting policies and related disclosures.

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Revenue Recognition

The Company will recognize revenue from the sale of products and services in accordance with ASC 606, *"*Revenue from Contracts with Customers,*"* by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied.

Emerging Growth Company

We are an "emerging growth company" under the federal securities laws and will be subject to reduced public company reporting requirements. In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We are choosing to take advantage of the extended transition period for complying with new or revised accounting standards. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates.

Recently Issued Accounting Pronouncements

We do not expect the adoption of any recently issued accounting pronouncements to have a significant impact on our net results of operations, financial position, or cash flows.

Seasonality

We do not expect our sales to be impacted by seasonal demands for our products and services.

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 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management carried out an evaluation under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act"). Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures were not effective as of March 31, 2019, due to the material weaknesses resulting from the Board of Directors not currently having any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K, and controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements.

Changes in Internal Control over Financial Reporting

Our management has also evaluated our internal control over financial reporting, and there have been no significant

changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of our last evaluation.

The Company is not required by current SEC rules to include, and does not include, an auditor's attestation report. The Company's registered public accounting firm has not attested to Management's reports on the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which our director, officer or any affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

ITEM 1A. RISK FACTORS.

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

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

During the nine months ended March 31, 2019, the Company issued 10,386,103 shares of common stock pursuant to subscription agreements between $0.049 and $0.0875 per share, or $625,538. These shares were issued in reliance on an exemption from registration under the Securities Act of 1933 set forth in Section 4(2) thereof and Rule 506 of Regulation D promulgated thereunder as the transaction did not involve a public offering and there was no general solicitation.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4. MINE SAFETY DISCLOSURES.

Not Applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit	Filing
31. 1	Certification of Principal Executive Officer Pursuant to Rule 13a-14	Filed herewith.
31. 2	Certification of Principal Financial Officer Pursuant to Rule 13a-14	Filed herewith.
32.01	CEO and CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act	Filed herewith.
101.INS*	XBRL Instance Document	Filed herewith.
101.SCH*	XBRL Taxonomy Extension Schema Document	Filed herewith.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document	Filed herewith.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.

*Pursuant to Regulation S-T, this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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SIGNATURES

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

APPLIFE DIGITAL SOLUTIONS, INC.

Dated: May 15, 2019

/s/ *Matt Reid*

Matt Reid, Principal Executive Officer, Principal Accounting Officer and Director