

1: APPLIFE DIGITAL SOLUTIONS, INC. - Form 10-Q SEC filing (10-Q)[To Top](#)

**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, 2022**

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
(State of incorporation)

30-0678378
(I.R.S. Employer Identification No.)

**50 California St, #1500
San Francisco, CA 94111**
(Address of principal executive offices)
1 (415) 439 5260
(Registrant's telephone number)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If 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

As of May 12, 2022 there were 148,543,635 shares of the registrant's \$0.001 par value common stock issued and outstanding.

APPLIFE DIGITAL SOLUTIONS, INC.***TABLE OF CONTENTS**

PART I - FINANCIAL INFORMATION	1
ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	1
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	12
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	17
ITEM 4. CONTROLS AND PROCEDURES	17
PART II - OTHER INFORMATION	17
ITEM 1. LEGAL PROCEEDINGS	17
ITEM 1A. RISK FACTORS	18
ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	18
ITEM 3. DEFAULTS UPON SENIOR SECURITIES	18
ITEM 4. MINE SAFETY DISCLOSURES	18
ITEM 5. OTHER INFORMATION	18
ITEM 6. EXHIBITS	18

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", "ALDS", "we", "us" and "our" are references to APPLife Digital Solutions, Inc.*

APPLIFE DIGITAL SOLUTIONS, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2022	June 30, 2021 (Audited)
ASSETS		
Current assets		
Cash	\$ 167,931	250,073
Prepaid expenses	12,392	34,113
Other current assets	389	-
Inventories	66,390	48,875
Total assets	247,102	333,061
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 320,439	266,323
Common stock payable	125,616	-
Notes payable - current, net	1,327,838	595,235
Derivative liabilities	172,166	28,576
Due to officer	1,428	6,428
Total current liabilities	1,947,487	896,562
Notes payable - noncurrent, net	100,000	786,925
Total liabilities	2,047,487	1,683,487
Commitments and contingencies		
Stockholders' deficit		
Common stock, \$0.001 par value, 500,000,000 shares authorized; 148,543,635 and 135,524,617 shares issued and outstanding as of March 31, 2022 and June 30, 2021, respectively	148,545	135,526
Additional paid-in capital	10,433,659	8,350,779
Accumulated (deficit)	(12,382,589)	(9,836,731)
Total stockholders' deficit	(1,800,385)	(1,350,426)
Total liabilities and stockholders' deficit	\$ 247,102	333,061

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

Colonial Filings Consolidated Filing Proof
 APPLIFE DIGITAL SOLUTIONS, INC.
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Revenue	\$ 8,475	1,410	10,346	3,716
Cost of goods sold	(5,434)	(3,973)	(6,864)	(5,467)
Gross profit	3,041	(2,563)	3,482	(1,751)
Operating expenses	764,429	757,671	2,288,026	2,414,312
Total operating expenses	764,429	757,671	2,288,026	2,414,312
Loss from operations	(761,388)	(760,234)	(2,284,544)	(2,416,063)
Other income (expense)				
Interest expense	(149,494)	(79,241)	(323,789)	(453,048)
Loss on extension of notes payable	-	-	-	(41,214)
Gain on settlement of debt	-	-	48,619	-
Change in fair value of Common Stock	-	-	(11,283)	-
Change in fair value of derivative liability	616	75,733	25,139	78,245
Net loss before provision for income taxes	(910,266)	(763,742)	(2,545,858)	(2,832,080)
Provision for income taxes	-	-	-	-
Net loss	(910,266)	(763,742)	(2,545,858)	(2,832,080)
Basic and diluted loss per share	(0.02)	(0.02)	(0.05)	0.07
Average number of common shares outstanding - basic and diluted	50,854,024	41,437,015	50,411,115	39,780,656

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

APPLIFE DIGITAL SOLUTIONS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2020	133,960,606	133,960	6,780,958	(7,678,229)	(763,311)
Common stock issued for cash	-	-	-	-	-
Stock compensation	-	-	417,753	-	417,753
Common stock issued for services	527,714	528	70,482	-	71,010
Shares issued for prepayment penalty	-	-	-	-	-
Payment of notes payable with issuance of common stock	-	-	-	-	-
Loss on extension of notes payable	-	-	-	-	-
Eliminate derivative liability upon repayment of debt	-	-	-	-	-
Equity component of issuance of convertible notes	-	-	40,000	-	40,000
Net loss	-	-	-	(763,742)	(763,742)
Balance, March 31, 2021	<u>134,488,320</u>	<u>134,488</u>	<u>7,309,193</u>	<u>(8,441,971)</u>	<u>(998,290)</u>
Balance, June 30, 2020	127,037,531	127,037	5,037,883	(5,609,891)	(444,971)
Common stock issued for cash	1,200,000	1,200	118,800	-	120,000
Stock compensation	-	-	1,120,878	-	1,120,878
Common stock issued for services	5,229,030	5,230	460,148	-	465,378
Issuance of common stock payable	140,199	140	25,096	-	25,236
Shares issued for prepayment penalty	277,012	277	45,237	-	45,514
Payment of notes payable with issuance of common stock	604,548	604	74,366	-	74,970
Loss on extension of notes payable	-	-	41,214	-	41,214
Eliminate derivative liability upon repayment of debt	-	-	125,238	-	125,238
Equity component of issuance of convertible notes	-	-	260,333	-	260,333
Net loss	-	-	-	(2,832,080)	(2,832,080)
Balance, March 31, 2021	<u>134,488,320</u>	<u>134,488</u>	<u>7,309,193</u>	<u>(8,441,971)</u>	<u>(998,290)</u>
	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2021	146,645,612	146,647	9,904,132	(11,472,323)	(1,421,544)
Stock compensation	-	-	491,567	-	491,567
Common stock issued for services	1,898,023	1,898	37,960	-	39,858
Net loss	-	-	-	(910,266)	(910,266)
Balance, March 31, 2022	<u>148,543,635</u>	<u>148,545</u>	<u>10,433,659</u>	<u>(12,382,589)</u>	<u>(1,800,385)</u>
Balance, June 30, 2021	135,524,617	135,526	8,350,779	(9,836,731)	(1,350,426)
Common stock issued for cash	5,200,000	5,200	514,800	-	520,000
Stock compensation	4,000,000	4,000	1,427,758	-	1,431,758
Common stock issued for services	3,819,018	3,819	140,322	-	144,141
Net loss	-	-	-	(2,545,858)	(2,545,858)
Balance, March 31, 2022	<u>148,543,635</u>	<u>148,545</u>	<u>10,433,659</u>	<u>(12,382,589)</u>	<u>(1,800,385)</u>

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

APPLIFE DIGITAL SOLUTIONS, INC.
UNAUDITED STATEMENTS OF CASH FLOWS

	Nine Months Ended March 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (2,545,858)	(2,832,080)
Adjustment to reconcile change in net loss to net cash used in operating activities:		
Amortization	122,913	231,785
Interest Expense	68,729	
Issuance of common stock for services	144,141	465,378
Shares issued for prepayment penalty	-	45,514
Loss on extension of notes payable	-	41,214
Stock compensation expense	1,431,758	1,120,878
Change in fair value of derivative liability	(25,139)	(78,245)
Gain on settlement of debt	(48,619)	-
Changes in operating assets and liabilities:		
Other Current Assets	(389)	7,574
Prepaid expenses and other current assets	21,721	251,148
Inventories	(17,515)	302
Common stock payable	125,616	235
Accounts payable and accrued expenses	65,500	111,535
Net cash (used) in operating activities	(657,142)	(634,762)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	100,000	1,048,000
Proceeds from issuance of common stock	520,000	120,000
Payment on notes payable	(40,000)	(185,000)
Payment on amounts due to officer	(5,000)	-
Net cash provided from financing activities	575,000	983,000
Net decrease in cash and cash equivalents	(82,142)	348,238
Cash and cash equivalents, beginning of period	250,073	85,707
Cash and cash equivalents, end of period	\$ 167,931	433,945
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ -	16,153
Cash paid for taxes	\$ -	-
Non-cash investing and financing activities:		
Eliminate derivative liability upon repayment of debt	\$ -	125,238
Issuance of common stock payable	\$ -	25,236
Equity component of issuance of convertible notes	\$ -	220,333
Payment of notes payable with issuance of common stock	\$ -	74,970
Increase in derivative liability upon issuance of convertible note	\$ 168,729	-

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

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

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

APPLife Digital Solutions Inc. (the “Company”) is a business incubator and portfolio manager that uses digital technology to create and invest in e-commerce and cloud-based solutions. 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.

Rooster Essentials APP SPV, LLC (the “Rooster”), incorporated on April 9, 2019, is a wholly owned subsidiary of the Company. Rooster is a fully customizable men’s ecommerce platform that delivers daily use grooming needs and essential items.

B2BCHX SPV LLC (the “B2BCHX”), incorporated on June 5, 2019, is a wholly owned subsidiary of the Company. B2BCHX does an independent background check on mainland Chinese companies for small businesses globally.

Office Hop, incorporated on January 28, 2021, is a wholly owned subsidiary of the Company. Office Hop is a global sharing model platform for short term rentals of office and meeting rooms. Users can find an office or conference space for hourly, half-day, full-day, or weekly rental. Hosts can list their spare office or meeting rooms.

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. There can be no assurance that any additional financings, would be available to the Company on satisfactory terms and conditions if at all. The current pandemic known as COVID-19 as described in Note 5, creates additional uncertainty.

The accompanying consolidated 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 consolidated 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 Company’s unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) for the interim financial information and with instructions to Form 10-Q and Article 10 of Regulation S-X. The unaudited condensed consolidated financial statements include the accounts of all subsidiaries in which the Company holds a controlling financial interest as of the financial statement date. All intercompany transactions have been eliminated in consolidation. However, in the opinion of the management of the Company, all adjustments necessary for a fair presentation of the financial position and operating results have been included in these statements. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2021, as filed with the SEC on September 24, 2021. Operating results for the nine months ended March 31, 2022 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the fiscal year ending June 30, 2022.

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. The Company had no accrual for interest or penalties as of March 31, 2022. 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 consolidated 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, BCF (Beneficial Conversion Feature) liabilities feature of convertible debt, 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.

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.

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, 2022 and year ended June 30, 2021.

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

Level 2: Pricing 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 3: Pricing 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 consolidated financial statements for cash, accounts payable and accrued expenses approximate their fair value because of the immediate or short-term nature of these consolidated financial instruments.

Derivative Liability

FASB ASC 815, *Derivatives and Hedging* requires all derivatives to be recorded on the consolidated balance sheet at fair value. As of March 31, 2022, we used the Black-Scholes-Merton (BSM) model to estimate the fair value of the conversion feature of the convertible note. Key assumptions of the BSM model include the market price of our stock, the conversion price of the debt, applicable volatility rates, risk-free interest rates and the instrument's remaining term. These assumptions require significant management judgment. In addition, changes in any of these variables during a period can result in material changes in the fair value (and resultant gains or losses) of this derivative instrument.

Inventories

Inventory, consisting of raw materials, work in process and products available for sale, are primarily accounted for using the first-in, first-out method ("FIFO"), and are valued at the lower of cost or net realizable value. This valuation requires management to make judgements based on currently available information, about the likely method of disposition, such as through sales to individual customers and returns to product vendors. As of March 31, 2022, the Company had inventories of approximately \$66,390. The Company has no allowance for inventory reserves.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13") and also issued subsequent amendments to the initial guidance: ASU 2018-19, ASU

2019-04, and ASU 2019-05 (collectively, "Topic 326"). Topic 326 requires measurement and recognition of expected credit losses for financial assets held. The Company will be required to adopt this ASU for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The adoption of Topic 326 is not expected to have a material on the Company's financial statements and financial statement disclosures.

Note 2 – Notes Payable

In March 2018, the Company issued notes that carry an 8% annual interest rate and mature through December 31, 2019. In December 2019, \$5,119 of principal was converted into Company common stock and payments were made of \$11,381. In March 2020, the note was exchanged for a convertible promissory note that accrues interest at 10% per annum and matured on March 11, 2021. The principal balance of the new note is \$77,235 as of June 30, 2021. On August 21, 2021, The Company settled this note after the holder agreed to accept \$40,000 payment to satisfy the total amount due. Hence, no additional interest was charged on the note.

On July 3, 2019, the Company issued a \$250,000 convertible promissory note (the "July 2019 Note") to a lender (the "Lender"). According to the terms the Lender funded the July 2019 Note as follows: \$100,000 upon the execution of the Note, \$50,000 on August 1, 2019, \$50,000 on September 1, 2019, and the remaining \$50,000 on October 1, 2019. The outstanding principal balance of the Note shall bear interest at the rate of twelve percent (12%) per annum. The balance of the July 2019 Note was \$250,000 on June 30, 2021 and matured on July 03, 2021. On August 28, 2021, the investor agreed to extend the note till July 03, 2022.

On November 22, 2019, Company issued a \$170,000 convertible promissory note (the "November 2019 Note") to the Lender that accrues interest at 12% per annum. On November 22, 2021, the investor agreed to extend the note till November 21, 2022. The July and November Notes contain embedded derivatives, see Note 7.

On July 14, 2020 and October 21, 2020, the Company sold convertible notes bearing 12% interest in the principal amounts of \$340,000 and \$348,000, respectively. Subject to certain ownership limitations, the notes will be convertible at the option of the holder at any time into shares of the Company's common stock at an effective conversion price of \$0.144. The embedded conversion features of these notes were valued at \$85,000 and \$135,333, respectively, and is amortized over the life of the notes.

On January 12, 2021, the Company sold convertible notes bearing 12% interest on the principal amount of \$360,000, respectively. The principal amount was agreed to be paid in two tranches of \$180,000 each, received on February 19, 2021 and March 08, 2021. The note is subject to certain ownership limitations and will be convertible at the option of the holder at any time into shares of the Company's common stock at an effective conversion rate of \$0.144. The embedded conversion features of this note were valued at \$35,500 and \$7,500 for each tranche received and are amortized over the life of the note.

On February 04, 2022, the Company sold convertible note bearing 12% interest in the principal amount of \$350,000, respectively. The note will be paid in three tranches with first tranche of \$100,000 received on March 28, 2022. The note is subject to certain ownership limitations and will be convertible at the option of the holder at any time into shares of the Company's common stock at an effective conversion rate of \$ 0.013. The embedded conversion features of this note was valued at \$36,228 for the first tranche received and will be amortized over the life of the note.

	Amount
Balance of notes payable, net of discount on June 30, 2021	\$ 1,382,160
Amortization of Debt Discount	122,913
Interest Expense	68,729
New Issuances	100,000
Embedded Conversion Feature - New Issuance	(168,729)
Payment on Notes Payable	(40,000)
Gain on Settlement of Note Payable less Accrued Interest	(37,235)
Balance of notes payable, net of discount as of March 31, 2022	<u>\$ 1,427,838</u>

Note 3 – Related Party Transactions*Due to Officer*

During the year ending June 30, 2018, the Company received advances from its officer to pay for certain operating expenses. On December 29, 2021, the officer was paid back \$5,000, leaving remaining balance due to the officer on March 31, 2022 of \$1,428. The balance due to officer on June 30, 2021, was \$6,428. There are no definitive repayment terms, and no interest is accruing on these advances.

Note 4 – Concentrations*Cash Concentration*

The Company maintains its cash and cash equivalents at a financial institution which may, at times, exceed federally insured limits. As of March 31, 2022, the Company's cash balance did not exceed the FDIC insurance limit. The Company has not experienced any losses in such accounts. Accounts outside the United States i.e Applife Shanghai, are not FDIC insured.

Note 5 – Commitments and Contingencies*Common Stock Payable*

As of March 31, 2022, and June 30, 2021, the Company owes \$125,616 and \$0 worth of common stock to vendors for services rendered, respectively.

Other Risks

On March 12, 2020, the World Health Organization declared COVID-19 to be a pandemic, and the COVID-19 pandemic has resulted in significant financial market volatility and uncertainty. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital, on our business, results of operations and financial condition, and on the market price of our common shares. While we did not incur significant disruptions from the COVID-19 pandemic during the nine months ended March 31, 2022, this situation could have an impact on our future business and results of operations in 2022 that may be material but cannot be reasonably estimated at this time due to numerous uncertainties.

Note 6 – Stockholders' Deficit

As of March 31, 2022, and June 30, 2021, there were 148,543,635 and 135,524,617 shares of common stock issued and outstanding, respectively.

On July 6, 2021, the Company entered into multiple subscription agreements with investors and issued 5,200,000 shares of common stock, priced at \$0.10 per share, for an aggregate purchase price of \$520,000.

Common stock issued for services and stock options

During the nine months ended March 31, 2022, the Company issued 3,819,018 shares of common stock to third parties for services valued at \$144,141 with price at \$0.08 and 0.0495 per share, respectively.

During the nine months ended March 31, 2022 and 2021, the Company recognized stock compensation expense on outstanding restricted stock awards and option awards of \$1,431,758, and \$1,161,208, respectively.

During nine months ended March 31, 2022, the Company granted 1,000,000 stock options, in the aggregate, to marketing consulting company. The options vest pro-rata over contract's term, have exercise price of \$0.10 and expire in five years from the date of grant.

	Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Life (Years)
Outstanding – June 30, 2021	4,094,959	\$ 0.15	5
Granted	1,000,000	0.10	4.62
Forfeited	-	-	-
Exercised	-	-	-
Outstanding – March 31, 2022	5,094,959	\$ 0.14	4.42

The Company recognized \$169,700 of expense in connection with the options and valued with Black Scholes using the following inputs:

	Nine Months Ended March 31, 2022
Stock price	\$ 0.03 - 0.04
Exercise price	\$ 0.01 - 0.33
Expected term (in years)	3 - 5 Years
Volatility (annual)	169 %
Risk-free rate	0.09 – 2.28 %

Note 7 – Derivative Liability

The Company issued debts that consist of the issuance of convertible notes with variable conversion provisions. The conversion terms of the convertible notes are variable based on certain factors, such as the future price of the Company's common stock. The number of shares of common stock issuable upon conversion of the promissory note is indeterminate. Pursuant to ASC 815-15 Embedded Derivatives, the fair values of the variable conversion option and shares to be issued were recorded as derivative liabilities on the issuance date and revalued at each reporting period.

A summary of quantitative information with respect to valuation methodology and significant unobservable inputs used for the Company's common stock purchase warrants that are categorized within Level 3 of the fair value hierarchy for the nine months ended March 31, 2022 is as follows:

	Nine Months Ended March 31, 2022
Stock price	\$ 0.03 – 0.04
Exercise price	\$ 0.01 – 0.33
Contractual term (in years)	3 – 5 Years
Volatility (annual)	169 %
Risk-free rate	0.09 - 2.28 %

The foregoing assumptions are reviewed quarterly and are subject to change based primarily on management's assessment of the probability of the events described occurring. Accordingly, changes to these assessments could materially affect the valuations.

Financial Liabilities Measured at Fair Value on a Recurring Basis

Financial liabilities measured at fair value on a recurring basis are summarized below and disclosed on the balance sheet under Derivative liability – warrants and derivative liabilities:

Fair value measured at March 31, 2022				
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value at March 31, 2022
Derivative liability	\$ -	\$ -	\$ 172,166	\$ 172,166
Total	\$ -	\$ -	\$ 172,166	\$ 172,166

Fair Value measured at June 30, 2021				
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value at June 30, 2021
Derivative liability	\$ -	\$ -	\$ 28,576	\$ 28,576
Total	\$ -	\$ -	\$ 28,576	\$ 28,576

The fair value accounting standards define fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is determined based upon assumptions that market participants would use in pricing an asset or liability. Fair value measurements are rated on a three-tier hierarchy as follows:

- Level 1 inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 inputs: Inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly; and
- Level 3 inputs: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

There were no transfers between Level 1, 2 or 3 during the period ended March 31, 2022.

During the nine months ended March 31, 2022 and 2021, the Company recorded loss of \$25,139 and \$78,245, respectively, from the change in fair value of derivative liability.

The following table presents changes in Level 3 liabilities measured at fair value for the period ended March 31, 2022:

	Derivative Liability
Balance – June 30, 2021	\$ 28,576
Changes due to issuances	168,729
Change in fair value of derivative liability	(25,139)
Balance – March 31, 2022	<u>\$ 172,166</u>

The balance of the derivative liability at March 31, 2022 and June 30, 2021 was \$172,166 and \$28,576, respectively.

Note 8 – Subsequent Events

The Company has evaluated subsequent events through the filing of this Quarterly Report on Form 10-Q and determined that no material events occurred.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve known and unknown risks, significant uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed, or implied, by those forward-looking statements. You can identify forward-looking statements by the use of the words may, will, should, could, expects, plans, anticipates, believes, estimates, predicts, intends, potential, proposed, or continue or the negative of those terms. These statements are only predictions. In evaluating these statements, you should consider various factors which may cause our actual results to differ materially from any forward-looking statements. Although we believe that the exceptions reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

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 to create and invest in eCommerce and Cloud based businesses that make life, business and living easier, more efficient, and just smarter.

Plan of Operation

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. We have incurred expenses and operating losses, as part of our activities in developing e-commerce platforms, B2BCHX, OFFICEHOP, ROOSTER ESSENTIALS, LOLLIPOP NFT and an initial investment in Global Hemp Service. The capital we raise will go into marketing, acquisitions and revenue generation. This will take our vision forward and to the next level.

The APPlife Digital Solutions business model is two-fold. First, is to market our current in-house developed projects OfficeHop, B2BCHX, ROOSTER ESSENTIALS ecommerce and cloud based business over the next year, work to add partnerships like the Global Hemp Service LLC and to add additional in-house developed projects including LollipopNFT in the fourth quarter of 2022 and DRINX starting in 2023. We plan to engage multiple resources such as adding staff, create partnerships, and as capital becomes available, to market and grow revenue for B2BCHX, OFFICE HOP, LOLLIPOP NFT, and ROOSTER ESSENTIALS.

The second, but equally important part of our business model, is to target acquisitions and projects that can be assisted by our marketing and capitalization capabilities where we can play an active role in the project's success and make the acquisitions to add to our revenue stream. We seek acquisition targets that have a model that fits our vision and area of interest, is currently generating revenue with room for growth and have a strong management team that will stay on board and continue to operate the entity post acquisition.

Our current projects:

B2BCHX is our first fully developed app that is available in Google Play and a functioning ecommerce and mobile website. B2BCHX allows business owners around the world to order three levels of background checks in English on Chinese companies to prevent fraudulent business transactions, to gather information in order to gain confidence when doing business with a Chinese entity or to pursue legal remedy against fraudulent Chinese Company. The reports are researched and written by a licensed law firm in Shanghai China in a partnership agreement with B2BCHX. These reports are not auto generated and are carefully researched to give our users the most accurate information. The retail

price for each report is \$79, \$399 and \$1299. The partnership with the law firm is on a 20% revenue share, which leaves B2BCHX an 80% per report profit margin to cover development expenses, maintenance and profit.

ROOSTER ESSENTIALS ecommerce website, mobile website, has been developed and launched BETA operations in the third quarter of fiscal year 2020 and launched its full commercial operations in the 2nd quarter of 2021. ROOSTER ESSENTIALS is an online men's grooming supply store, and it allows men to fully customize which products they receive and set up an auto-delivery schedule for each product for automatic recurring delivery. ROOSTER currently carries over 200 products from over 80 brands. We anticipate the sources of revenue will come from purchases averaging \$500 per user, per year and advertising and sponsorships. Men's grooming products are the fastest growing segment of Health and Beauty. Currently a \$26 Billion dollar market is forecasted to reach \$100 billion by 2024.

OFFICE HOP entered beta testing in the fourth quarter of 2021 and is now fully functional and began commercial operations in January 2022. OFFICE HOP fits perfectly into the needs of the post Covid working world, where short term offices and meeting rooms will be in high demand. The OFFICE HOP model is like Airbnb for short term shared or private office space and meeting rooms. Those offices that have an extra office, shared desk, an empty meeting room or conference room may list the space and act as a host for a user. Those users in need of a short-term shared desk, meeting room or private office may locate one on our platform and rent it out for use as needed by the hour, half day, full day, week or month. We will also offer access to creative spaces such as photo studios and pop-up art galleries and will offer restaurants with private rooms a way to rent out the space with a menu included for group or lunch meetings. The revenue is expected to come from the 10-15% service fee charged to Users for finding and making a transaction with one of our listed properties. The platform is global. We will begin operations in North America and Europe and then eventually operate in South America and Asia.

Global Hemp Services LLC is a low risk and low cost participation in the fast growing Hemp and CBD market space. We have licensed out our fully functional ecommerce platform in exchange for a 15% equity position and 2.5% revenue share, with exclusive rights to purchase an additional 36% of the equity (for a total of 51%) upon reaching revenue benchmarks. Global Hemp Service distributes Hemp and CBD products globally, including Hemp based building materials, textiles, plastics, paper, personal care items and various CBD products. They will distribute wholesale to shops and stores and retail directly to consumers.

Lollipop NFT will be an online marketplace, consignment store, creator platform, and wallet for non-fungible tokens and is being developed for use by individuals of all levels, from beginners to experts. We have completed the design and preliminary development phase of this project. We expect to launch the platform in our fourth quarter of 2022. Users do not need have a superior technology background or a high-level understanding of non-fungible tokens to enjoy and profit from creating and selling NFT's.

Our DRINX project is in early stage of development, and we believe the beta version will be ready in the fiscal year 2023. The Drinx project anticipated launch date has been postponed to facilitate the development of the Lollipop NFT platform. DRINX app allows anyone to purchase a virtual drink ticket anywhere and at any time for friends and colleagues. We anticipate the sources of revenue will come from advertising and sponsorships from alcohol companies promoting products on the app, user fee of \$0.99 to send each drink and discounts provided by the bars and restaurants for purchases made by the app.

Results of Operations for Three Months Ended March 31, 2022 and March 31, 2021

Revenue

For the three months ended March 31, 2022 and 2021, we generated revenue of \$8,475 and \$1,410, respectively. 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 months ended March 31, 2022 and 2021 we had operating losses of \$761,388 and \$760,234, respectively. This loss was due primarily to the stock based compensation and professional fees paid to consultants.

Other Income (Expense)

For the three months ended March 31, 2022 and 2021, we incurred \$148,878 and \$3,508 of other expenses, respectively. Other expenses during March 31, 2022, were primarily due to interest expense on notes payable. We recorded change in fair value of derivative liability for the three months ended March 31, 2022 and 2021 of \$616 and \$75,733.

Net loss

We reported a net loss of \$910,266 and \$763,742 for the three months ended March 31, 2022 and 2021, respectively.

Results of Operations for Nine Months Ended March 31, 2022 and March 31, 2021**Revenue**

For the nine months ended March 31, 2022 and 2021, we generated revenue of \$10,346 and \$3,716, respectively. 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 nine months ended March 31, 2022 and 2021 we had operating losses of \$2,284,544 and \$2,416,063, respectively. This loss was due primarily to the stock based compensation and professional fees paid to consultants.

Other Income (Expense)

For the nine months ended March 31, 2022 and 2021, we incurred \$261,314 and \$416,017 of other expenses, respectively, which was primarily due to interest expense on notes payable of \$323,789 and a gain of \$48,619 due to settlement of debt. We recorded change in fair value of derivative liability for the nine months ended March 31, 2022 and 2021 of \$25,139 and \$78,245. Similarly, for the nine months ended March 31, 2022, loss of \$11,283 was recorded due to change in fair value of common stock and for the nine months ended March 31, 2021, and recorded \$41,214 of loss due to extension of debt.

Net loss

We reported a net loss of \$2,545,858 and \$2,832,080 for the nine months ended March 31, 2022 and 2021, respectively.

Working Capital

	March 31, 2022
Current assets	\$ 247,102
Current liabilities	(1,947,487)
Working capital	\$ (1,700,385)

We anticipate generating losses and, therefore, may be unable to continue operations in the future. If we require additional capital, we will 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 minimal revenue generating operations and has an accumulated deficit \$12,382,589 and \$9,836,731 as of March 31, 2022 and June 30, 2021, 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. There can be no assurance that any additional financings, would be available to the company unsatisfactory terms and conditions if at all. The current pandemic known as COVID-19 as described in Note 5, creates additional uncertainty. 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, 2022	Nine Months Ended March 31, 2021
Net Cash Used in Operating Activities	\$ (657,142)	\$ (634,762)
Net Cash Used in Investing Activities	—	—
Net Cash Provided by Financing Activities	575,000	983,000
Net (Decrease) Increase in Cash	\$ (82,142)	\$ 348,238

Our cash balance was \$167,931 on March 31, 2022. We recorded a net loss of \$2,545,858 for the nine months ended March 31, 2022. 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 consolidated 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.

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.

Operating Activities

During the nine months ended March 31, 2022 and 2021, the Company used \$657,142 and \$634,762 in cash to fund our operating activities, respectively. The cash used in operating activities in 2022 is the result of net loss during the period offset primarily by amortization of debt discount, stock compensation expense and an increase in working capital accounts. The Company also recorded gain on settlement of debt and related accrued expense.

During the nine months ended March 31, 2022, the cash used was primarily the result of stock compensation, issuance of common stock for services, issuance of common stock to employees and changes in working capital accounts.

Financing Activities

Net cash provided by financing activities was \$575,000 and \$983,000 during the nine months ended March 31, 2022 and 2021, respectively. During the nine months ended March 31, 2022, the Company raised \$100,000 from the issuance of notes payable, \$520,000 from the sale of common stock, partially offset by payments of notes payable of \$40,000.

During the nine months ended March 31, 2021, the Company received \$120,000 from the sale of common stock and \$1,048,000 from the proceeds received from issuance of notes payable, offset by payment on notes payable of \$185,000.

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.

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.

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, 2022, 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.

None.

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.
32.1	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.

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.

Dated: May 12, 2022

APPLIFE DIGITAL SOLUTIONS, INC.

/s/ Matt Reid

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

2: Certification (EX-31.1)[To Top](#)

EXHIBIT 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14

I, Matt Reid, certify that:

1. I have reviewed this Quarterly Report for the quarter ended March 31, 2022 on Form 10-Q of APPlife Digital Solutions, Inc.;

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

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Quarterly Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2022

/s/ Matt Reid

By: Matt Reid

Its: Chief Executive Officer (Principal Executive Officer)

3: Certification (EX-31.2)[To Top](#)

EXHIBIT 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14

I, Matt Reid, certify that:

1. I have reviewed this Quarterly Report for the quarter ended March 31, 2022 on Form 10-Q of APPlife Digital Solutions, Inc.;

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

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Quarterly Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2022

/s/ Matt Reid

By: Matt Reid

Its: Chief Financial Officer (Principal Financial Officer
and Principal Accounting Officer)

4: Certification (EX-32.1)[To Top](#)

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of APPlife Digital Solutions, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matt Reid, Chief Executive Officer and Chief Financial Officer certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Matt Reid

By: Matt Reid

Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer, Principal Financial
Officer and Principal Accounting Officer)

Dated: May 12, 2022

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.