

MAGELLAN GOLD Corp
Form PRE 14C
September 01, 2017

SCHEDULE 14C

(Rule 14c-101)

INFORMATION REQUIRED IN INFORMATION STATEMENT

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c)

of the Securities Exchange Act of 1934 (Amendment No. _____)

Check the appropriate box:

Preliminary Information Statement Confidential, for use of the

Definitive Information Statement Commission only (as permitted by Rule 14c-5(d)(2))

MAGELLAN GOLD CORPORATION

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

No Fee Required.

Fee computed on table below per Exchange Act Rules 14c- 5(g) and 0-11.

1) Title of each class of securities to which transaction applies: Common Stock, par value \$.001 per share

2) Aggregate number of securities to which transaction applies: _____

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): --

4) Proposed maximum aggregate value of transaction: _____

5) Total Fee Paid. _____

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid: none.

2) Form, Schedule or Registration Statement No.: 14C

3) Filing Party: Magellan Gold Corporation

4) Date Filed: September ____, 2017

MAGELLAN GOLD CORPORATION

2010A Harbison Dr., #312

Vacaville, CA 95687

(707) 884-3766

Dear Stockholder:

We are furnishing this Information Statement to the holders of the Common Stock of Magellan Gold Corporation, a Nevada corporation (the "Company"), in connection with the determination of our Board of Directors that it is in the best interest of the Company and our shareholders to undertake the following corporate actions (collectively the "**Shareholder Actions**"):

Increase our authorized shares from 100,000,000 shares of common stock to 1,000,000,000 shares of common stock (the "**Share Increase**"). The increase in authorized common stock will be effected by an amendment to our Articles of Incorporation.

Authorize the Board of Directors to undertake a Reverse Split (the "**Reverse Split**") of all outstanding securities by a factor of up to one-for-fifty (1-for-50) at such time and by such a factor, within the forgoing limits, as the Board of Directors shall determine. Fractional shares will be rounded up to the nearest whole.

Authorize the adoption of the 2017 Equity Incentive Plan and reserve an aggregate of 10,000,000 shares of common stock for issuance under the Plan.

Elect two (2) persons to serve as directors in lieu of the annual election of Board of Directors.

Approve a nonbinding advisory vote on executive officer compensation.

Approve a nonbinding advisory vote establishing the frequency of nonbinding advisory votes on executive officer compensation in the future at every three years.

Ratification of selection of MaloneBailey, LLP as the Company's independent registered public accountants for the current fiscal year ending December 31, 2017

As permitted by Nevada law and our Articles of Incorporation, as amended, the Company has received written consents from the holders of 75% of our issued and outstanding shares of Common Stock (collectively our "Majority Shareholders") approving the Shareholder Actions.

Shareholders of the Company are not entitled to exercise dissenters' rights in connection with the Shareholder Actions.

The Shareholder Actions described in this Information Statement will not become effective until at least 20 calendar days following the date of mailing of this Information Statement to our Shareholders.

SHAREHOLDERS ARE NOT BEING ASKED FOR PROXIES TO VOTE THEIR SHARES WITH RESPECT TO THE INCREASE IN SHARE AUTHORIZATION. NO PROXY CARD HAS BEEN ENCLOSED WITH THIS INFORMATION STATEMENT AND NO MEETING OF

SHAREHOLDERS WILL BE HELD TO CONSIDER THE SHAREHOLDER ACTIONS.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

This Information Statement is being provided to you pursuant to Rule 14c-2 under the Securities Exchange Act of 1934, as amended. It contains a description of the Shareholder Actions, as well as summary information regarding the transactions covered by the Information Statement. We encourage you to read the Information Statement thoroughly. You may also obtain information about us from publicly available documents filed with the Securities and Exchange Commission. We may provide only one copy of the Information Statement to Shareholders who share an address, unless we have received instructions otherwise. If you share an address, your household has received only one copy of this Information Statement and you wish to receive another copy, please contact our corporate secretary at the address or telephone number above. If you have received multiple copies and only wish to receive one copy of our SEC materials, you also may contact us at the address and phone number above.

Very truly yours,

W. Pierce Carson

President and CEO

MAGELLAN GOLD CORPORATION

INFORMATION STATEMENT

TABLE OF CONTENTS

Introduction1

Summary3

Summary Information In Question And Answer Format3

Prior Stockholder Approval5

Voting Securities And Principal Holders Thereof7

Increase in Number of Authorized Shares of Common Stock8

Reverse Stock Split9

Adoption of 2017 Equity Incentive Plan17

Annual Election of Board of Directors25

Advisory Resolution on Executive Compensation Practices34

Frequency of Holding Future Advisory Votes on Executive Compensation35

Ratification of Independent Auditors35

Where You Can Find Additional Information36

INFORMATION STATEMENT

MAGELLAN GOLD CORPORATION

2010A Harbison Dr., #312

Vacaville, CA 95687

(707) 884-3766

Introduction

This Information Statement is being furnished to the Shareholders of Magellan Gold Corporation, a Nevada corporation (the "Company"), in connection with the prior approval by our Board of Directors and the approval by written consent of the Majority Shareholders of the following Shareholder Actions:

Increase our authorized shares from 100,000,000 shares of common stock to 1,000,000,000 shares of common stock (the "**Share Increase**"). The increase in authorized common stock will be effected by an amendment to our Articles of Incorporation.

Authorize the Board of Directors to undertake a Reverse Split (the "**Reverse Split**") of all outstanding securities by a factor of up to one-for-fifty (1-for-50) at such time and by such a factor, within the forgoing limits, as the Board of Directors shall determine. Fractional shares will be rounded up to the nearest whole.

Authorize the adoption of the 2017 Equity Incentive Plan and reserve for issuance an aggregate of 10,000,000 shares of common stock for issuance under the Plan.

Election of two (2) directors in lieu of annual election of Board of Directors.

Approve a nonbinding advisory vote on executive officer compensation.

Approve a nonbinding advisory vote establishing the frequency of nonbinding advisory votes on executive officer compensation in the future at every three years.

Ratification of selection of MaloneBailey, LLP as the Company's independent registered public accountants for the current fiscal year ending December 31, 2017

The Board of Directors believes that consummation of the Shareholder Actions is in the best interests of the Company and its Shareholders. Accordingly, on September __, 2017, the Board unanimously approved the Shareholder Actions and directed that they be submitted for stockholder approval.

Under Nevada law and our Articles of Incorporation, as amended, the affirmative vote of a majority of the votes entitled to be cast by holders of all shares of the Company's Common Stock, par value \$.001 per share ("Common Stock"), outstanding as of the close of business on September __, 2017, (the "**Record Date**") is required to approve the Shareholder Actions. Under our Articles of Incorporation each share of Common Stock is entitled to one vote per share. As of September __, 2017, there were outstanding 74,380,548 shares of Common Stock. As permitted by the Nevada Revised Statutes, on September __, 2017, the Company received a written consent in lieu of a meeting of Shareholders from holders of 55,712,628 shares of our common stock representing 75% of the total Common Stock voting rights approving the Shareholder Actions.

SHAREHOLDERS ARE NOT BEING ASKED FOR PROXIES TO VOTE THEIR SHARES WITH RESPECT TO THE SHAREHOLDER ACTIONS. NO PROXY CARD HAS BEEN ENCLOSED WITH THIS INFORMATION STATEMENT AND NO MEETING OF SHAREHOLDERS WILL BE HELD TO CONSIDER THE SHAREHOLDER ACTIONS.

The Shareholder Actions will not become effective until at least 20 calendar days following the date of mailing of this Information Statement to our Shareholders.

This Information Statement is furnished for the purposes of informing Shareholders, in the manner required under the Securities Exchange Act of 1934, as amended, of the Shareholder Actions before they are consummated. This Information Statement is first being mailed on or about September __, 2017 to holders of record of Common Stock as of the close of business on September __, 2017.

Summary

This Information Statement is being furnished to the Shareholders of Magellan Gold Corporation, a Nevada corporation, in connection with the prior approval by our Board of Directors, and the approval by written consent of a majority of our Shareholders, for the Share Increase and the Reverse Split. Throughout this Information Statement, we shall refer to the Share Increase and Reverse Split as the "Shareholder Actions." The terms "we," "our," and the "Company" in this Information Statement refer to Magellan Gold Corporation. References to "you" are to the Shareholders of Magellan Gold Corporation

A NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Information Statement contains certain forward-looking statements, including statements regarding our "expectations," "beliefs," "goals," "hopes," "strategies," and the like. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that are subject to change at any time and from time to time and that could cause our actual results, performance or achievements to differ materially from our expectations of future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results or developments to differ materially from those described in or contemplated or implied by such forward-looking statements include, without limitation, the risk that the assumptions upon which the forward-looking statements are based ultimately may prove to be incorrect or incomplete, as well as other risks and uncertainties that are described in the Company's filings with the Securities and Exchange Commission. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future events or results. Except as may be required under federal law, we undertake no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur.

Summary Information In Question And Answer Format

The following information in question and answer format, summarizes many of the material terms of the Company's proposed Shareholder Action. For a complete description of the terms and conditions of the Shareholder Action, you are advised to carefully read this entire Information Statement and the other documents referred to herein.

What Vote Is Required To Approve The Shareholder Actions?

Approval of the Shareholder Actions requires that the affirmative votes in favor of each proposal are greater than the affirmative votes opposed to such proposal (the "Requisite Vote").

What Constitutes A Majority Of The Company's Outstanding Common Stock

On September __, 2017, the Company had 74,380,548 shares of Common Stock issued and outstanding. 37,190,275 constitutes a majority of the shares of Common Stock issued and outstanding.

Who Voted In Favor Of The Shareholder Actions?

3

Shareholders owning an aggregate of 55,512,628 shares of our common voted in favor of the Shareholder Actions. Those shares combined represent 75% of the voting power of Common Stock outstanding. Those shareholders consisted of John D. Gibbs, W. Pierce Carson, John C. Power, Clifford L. Neuman and Elizabeth Jenkins. Such shareholders shall be referred to as the "Majority Shareholders".

Will The Shareholders That Voted In Favor Of The Shareholder Actions Have Any Special Interest in the Shareholder Actions?

Yes. Messrs. Gibbs and Neuman and Ms. Jenkins do not have any interest in those Actions different than the interest of all shareholders of the Company. Messrs. Carson and Power, however, as officers and directors of the Company would be eligible to participate in the 2017 Equity Incentive Plan.

Why Isn't The Company Holding A Shareholders Meeting To Vote On The Proposed Shareholder Actions?

In order to lawfully close on the proposed Shareholder Actions, Nevada law requires that a Requisite Vote of shares of Common Stock vote in favor of the proposed Shareholder Actions. The Shareholders voting in favor of the proposed Shareholder Actions represent 75% of the voting power of Common Stock, more than a majority of the voting power of the Common Stock. Therefore, management concluded that because approving a transaction by the written consent of Shareholders can be faster than distributing a notice of meeting and proxy statement, and conducting a Shareholders' meeting, and in light of the fact that Company management wanted to expedite the closing of the proposed Shareholder Actions, management and the Board of Directors decided not to conduct a meeting of Shareholders. Instead, the Majority Shareholders, representing 75% of the voting power of Common Stock signed written consents approving the Shareholder Actions and the transactions contemplated thereby.

What Will Happen To The Company After The Shareholder Actions?

Following the Shareholder Actions, we expect to continue our current and pending business operations.

Why are the Shareholder Actions being Undertaken?

The Shareholder Actions are being undertaken as part of a broader capital restructure of the Company (the "**Capital Restructure**"). The Capital Restructure is necessitated by (i) the Company's need to raise at least \$3.0 million in additional working capital in order to (a) consummate the purchase of the SDA Mill from Rose Petroleum, plc under the terms of the Option Agreement previously announced and (b) fulfill our commitments under the Option Agreement with Rio Silver to expend a minimum of \$2.0 million over three years to earn a 50% equity interest in the

Niñobamba prospect in Peru. As there are currently over 74 million shares of common stock issued and outstanding, and only 100 million shares of common stock currently authorized, we believe it necessary to increase the authorized shares of common stock by 900,000,000.

In anticipation of issuing additional shares to support our anticipated financing activities, we believe that a reverse stock split may be necessary in the near future to support the public trading

market for our common stock by improving the liquidity in that market. Board has no current plans for a reverse split but would like to have the flexibility to effect such a split in the event it determines it could be advantageous to the company and shareholders.

Finally, adoption of the 2017 Equity Incentive Plan is deemed prudent as we transition to becoming an operating company with the need for skilled and experienced management to support our anticipated activities in Mexico and Peru, as well as the Silver District in Arizona.

What Rights Do Shareholders Have To Dissent From The Shareholder Actions?

Company Shareholders do not have dissenters' rights or the right to seek the appraisal of their shares under Nevada law.

What Are The Income Tax Consequences Of The Shareholder Actions?

There will be no federal or state income tax consequences to our shareholders as a result of the Shareholder Actions.

Prior Stockholder Approval

Our ability to undertake the Shareholder Actions without a meeting of our Shareholders is authorized by Section 78.320(2) of the Nevada Revised Statutes. That section generally provides that a Nevada corporation may substitute for action on a matter by its Shareholders at a meeting the written consent of the holders of outstanding shares of capital stock holding at least the minimum number of votes which would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the matter are present and voted. In accordance with this provision, we obtained the written consent of the Majority Shareholders to the Shareholder Actions. As a result of the action of the Majority Shareholders, we are not soliciting proxies, and there will be no further stockholder action on the Shareholder Actions.

Holders of record of the Company's Common Stock are entitled to notice of the action taken by written consent approving the Shareholder Actions.

Under Nevada law and our Articles of Incorporation the affirmative vote of a majority of the votes entitled to be cast by holders of all shares of our Common Stock outstanding as of the close of business on the Record Date, was required to approve the Share Increase and Reverse Split. Each holder of Common Stock was entitled to one vote on each of the foregoing matters, for each share of Common Stock held by such stockholder. As of September __, 2017, there were outstanding 74,380,548 shares of Common Stock. As of that date, the Majority Shareholders held 55,512,628 shares of Common Stock or 75% of the total votes entitled to be cast by all holders of our Common Stock.

The action by written consent approving the Shareholder Actions was effective on September __, 2017.

Information About the Company

Magellan Gold Corporation (“we” “our”, “us”, the “Company” or “Magellan”) was incorporated on September 28, 2010, under the laws of the State of Nevada. Our principal business is the acquisition and exploration of mineral resources. We have not presently determined whether the properties to which we have mining rights contain mineral reserves that are economically recoverable.

Dissenters' Rights

In accordance with the Nevada Revised Statutes, our Shareholders do not have dissenters' or appraisal rights in connection with the Shareholder Actions.

Certain Federal Income Tax Consequences

The Shareholder Actions will not result in any impact on our Shareholders for federal and state income tax purposes.

Government Approvals

Except for compliance with the applicable regulations of the Securities and Exchange Commission in connection with this Information Statement and of the Nevada Revised Statutes in connection with the Shareholder Actions, we are not required to comply with any federal or state regulatory requirements, and no federal or state regulatory approvals are required in connection with the Shareholder Actions.

Voting Securities And Principal Holders Thereof

As of the Record Date, there were outstanding 74,380,548 shares of Common Stock, \$0.001 par value.

The table shows the number of shares owned as of _____, 2017 by our Directors and Officers, shareholders owning more than 5% of outstanding Common Stock and all Directors and Officers as a group. Each person has sole voting and investment power with respect to the shares shown, except as noted.

Name and Address of Beneficial Owner ⁽¹⁾	Amount and Nature of Beneficial Ownership ⁽²⁾	Ownership as a Percentage of Outstanding Common Shares ⁽³⁾
John Gibbs 807 Wood N Creek Ardmore, OK 73041	36,688,988 (4)	49.3%
John C. Power	8,117,330	10.9%
W. Pierce Carson	8,623,957	11.6%
All officers and directors as a group (two persons)	16,741,287	22.5%

(1) Unless otherwise stated, address is 2010A Harbison Drive # 312, Vacaville, CA 95687.

(2) Under SEC Rules, we include in the number of shares owned by each person the number of shares issuable under outstanding options or warrants if those options or warrants are exercisable within 60 days of the date of this Annual Report. In calculating percentage ownership, we calculate the ownership of each person who owns

exercisable options by adding (i) the number of exercisable options for that person only to (ii) the number of total shares outstanding and dividing that result into (iii) the total number of shares and exercisable options owned by that person.

- (3) Shares and percentages beneficially owned are based upon 74,380,548 shares outstanding on August 1, 2017.
- (4) Includes 516,500 shares owned by TriPower Resources, Inc., of which John D. Gibbs is President and controlling shareholder.

**Amendment to Articles of Incorporation Increasing the
Number of Authorized Shares of Common Stock**

The Board of Directors has adopted a resolution proposing and declaring the advisability of amending the Company's Articles of Incorporation to increase the number of shares of common stock that the Company is authorized to issue from 100,000,000 shares to 1,000,000,000 shares, \$.001 par value per share (the "Share Increase"). The currently authorized 25,000,000 shares of preferred stock, \$.001 par value, shall remain unchanged. The proposed increase in the authorized number of shares of common stock will give the Company additional shares to provide flexibility for the future. In particular, the Company may require additional funding for its operations and therefore may need the increased number of authorized shares to raise additional equity capital. In addition, the additional authorized shares may be used in the future for any other proper corporate purpose approved by the Board, including corporate mergers or acquisitions, shares reserved under stock option plans, stock dividends or splits, or other corporate purposes.

These additional shares would be available for issuance from time to time for corporate purposes such as raising additional capital, making strategic acquisitions, entering into collaborative and licensing arrangements and employee recruitment and retention. We believe that the availability of the additional common shares will provide us with the flexibility to meet business needs as they arise, to take advantage of favorable opportunities and to respond to a changing corporate environment. Our future revenue may be insufficient to support the expenses of our operations and the planned expansion of our business. We therefore may need additional equity capital to finance our operations. We may seek to obtain such equity capital through the issuance of common stock or securities convertible into common stock. The issuance of a substantial number of additional common shares may result in dilution of your ownership interest in the Company.

Potential Anti-Takeover Effect

The proposed Share Increase is not part of any plan to adopt a series of amendments having an anti-takeover effect, and the Company's management presently does not intend to propose anti-takeover measures in future proxy solicitations. Subject to the limitations of Nevada law, it could be possible to use the additional shares of common stock that would become available for issuance if the Share Increase is approved to oppose a hostile takeover attempt or delay or prevent changes of control of the Company or changes in or removal of our management, including transactions that are favored by a majority of the independent shareholders or in which the shareholders might otherwise receive a premium for their shares over then-current market prices or benefit in some other manner. For example, our board of directors could, without further shareholder approval, strategically sell shares of our common stock in a private transaction to purchasers who would oppose a takeover or favor our current board of directors. The Share Increase is not being proposed in response to any effort, nor are we aware of any effort, to accumulate shares of our common stock or obtain control of the Company.

Our Articles and Bylaws contain certain provisions that could make it more difficult for a third party to acquire a controlling interest without the consent of our board. These provisions may delay or prevent a change of control, even if the change of control would benefit the shareholders. In addition, the authority granted to the board by our Articles to issue shares of preferred stock and fix the designations, powers, preferences, rights, qualifications, limitations and restrictions of the shares of any series so established could be used to delay or prevent a change of control. None of these provisions would be affected by the Share Increase.

Approval of the Board of Directors and Shareholders

The Board of Directors of the Company, after careful consideration, has approved the Share Increase and has recommended that the Company's Shareholders vote for its adoption. Effective September ____, 2017, Shareholders holding 75% of the Company's shares of common stock outstanding executed a written consent in lieu of a Shareholders meeting approving the Share Increase.

Reverse Stock Split

Summary of Reverse Split

The Shareholder Actions include the authorization to undertake, at our discretion in the future, up to a one-for-fifty (1-for-50) Reverse Split of our outstanding shares of Common Stock and outstanding options, warrants and other rights convertible into shares of Common Stock. The authorization grants the Board of Directors additional authority to implement through one or more additional Reverse Splits a further recapitalization of our outstanding securities, not to exceed in the aggregate a Reverse Split of one-for-fifty (1-for-50). Once implemented, the Reverse Split would result in each holder of our Common Stock on the Record Date owning fewer shares of Common Stock than they owned immediately before the Reverse Split, and outstanding options, warrants, and other convertible rights will become exercisable to purchase a fewer number of shares of Common Stock at an exercise price per share increased by the factor of the Reverse Split. Fractional shares, options and warrants will be rounded up to the nearest whole.

We will be authorized to implement the Reverse Split within the foregoing parameters if we chose to do so at any time and until such time as the authorization is revoked by a majority vote of our shareholders at a future regular or special meeting of our shareholders. If and when implemented, we will cause our stock transfer agent to provide each Shareholder of record written notice of such implementation together with a description of the effect thereof.

The Reverse Stock Split will not affect in any manner the rights and preferences of our shareholders. There will be no change in the voting rights, right to participate in stock or cash dividends, or rights upon the liquidation or dissolution of the Company of holders of Common Stock; nor will the Reverse Split affect in any manner the ability of our shareholders to sell under Rule 144 or otherwise engage in market transactions in accordance with federal and state securities laws.

The Reverse Stock Split will also result in an automatic adjustment of any and all outstanding options, warrants and other rights exercisable or convertible into shares of our Common Stock. The adjustment will consist of an increase in the exercise price or conversion value per share by the factor of the Reverse Split and the number of shares issuable upon exercise or conversion will be reduced by the same factor. For example, if we implement a one-for-two (1-for-2) Reverse Split, an option, warrant or other right exercisable or convertible into 1,000 shares of our Common Stock at an exercise price or conversion value of \$1.00 per share immediately before implementation of the Reverse

Split would be exercisable or convertible into 500 shares of our Common Stock at an exercise price or conversion value of \$2.00 per share immediately after implementation of the Reverse Split. All other relative rights and preferences of holders of outstanding options, warrants and other rights convertible or exercisable into shares of our common stock shall remain unchanged.

We believe that the Reverse Split is in the best interest of the Company and our shareholders for several reasons. We currently have more than 74 million shares issued and outstanding, leaving only 30 million authorized shares that can be issued in the future. To meet our current commitments in Peru and Mexico, we will have to raise at least \$3 million in capital in the near term. This will exhaust our authorized capital and will preclude our Board of Directors from being able to issue additional shares in the future as part of future financings or to facilitate one or more acquisitions or other business combinations.

Additionally, we believe that a Reverse Split, which will result in a higher per share trading price of our Common Stock, will enable us to attract additional interest in our Common Stock from the investment community, and particularly market-makers. Numerous broker-dealers and investment bankers require that a company's common stock have a minimum public trading price before those broker-dealers or investment bankers will agree to make a market in that security. As a result, we believe that the Reverse Split has the potential of improving the liquidity of the public market for our Common Stock.

Principal Effects of the Reverse Stock Split

If approved and implemented, the principal effects of a reverse stock split would include the following:

- Depending upon the ratio for the reverse stock split selected by the board, up to every fifty (50) outstanding shares of the common stock will be combined into one new share of common stock;
- The number of shares of common stock issued and outstanding will be reduced proportionately, based upon the ratio selected by the board;
- The total number of shares of common stock and preferred stock the Company is authorized to issue will be unchanged;
- Proportionate adjustments would be made to the per share exercise price and the number of shares issuable upon the exercise of all outstanding warrants entitling the holders thereof to purchase shares of our common stock, which will result in approximately the same aggregate price being required to be paid for the common shares upon exercise of such options or warrants immediately preceding the reverse stock split.

The common stock resulting from a reverse stock split will remain fully paid and non-assessable. A reverse stock split will not affect the public registration of the common stock under the Securities Exchange Act of 1934.

The reverse stock split will be effected simultaneously for all of our common stock and the exchange number will be the same for all of our common stock. The reverse stock split will affect all of our shareholders uniformly and will not affect any shareholder's percentage ownership interests in the Company, except to the extent that the reverse stock split results in any of our shareholders owning a fractional share. As described below, fractional shares resulting from the Reverse Split will be rounded up to the nearest whole share. The reverse stock split is not intended as, and will not have the effect of, a "going private" transaction under Rule 13e-3 of the Securities Exchange Act of 1934,

as amended. We will continue to be subject to the periodic reporting requirements of the Exchange Act following the reverse stock split.

The following table summarizes the Company's pro forma capitalization, as of September __, 2017, before and after giving effect to (i) the Share Increase and (ii) a hypothetical reverse stock split of one-for-fifty (1 for 50):

	Prior to Reverse Stock Split (1)		After Reverse Stock Split (1)(2)	
	Common Stock		Common Stock	
Authorized Shares:	100,000,000		1,000,000,000	
Shares Issued and Outstanding:	74,380,548	–	1,417,611	–
Shares Reserved for Future Issuance:	25,619,452		998,528,389	
Equity Plan:	-0-	–	10,000,000	–
Shares Available for Future Issuance	25,619,452		988,528,389	

(1) Pro forma assuming the Capital Restructure and Share Increase have been implemented.

(2) Does not reflect the rounding up of fractional shares to the nearest whole share.

Reasons for the Reverse Split

We believe that the Reverse Split is in the best interest of the Company and our shareholders for several reasons. First, our current funding commitments require that we raise at least \$3 million in capital in the near term. This will exhaust our authorized capital and will preclude our Board of Directors from being able to issue additional shares in the future as part of future financings or to facilitate one or more acquisitions or other business combinations. The Reverse Split will reduce the number of shares outstanding without decreasing the number of our authorized shares, thereby freeing authorized capital for future issuances.

The board believes that it is in the best interest of the Company and its stockholders to approve the Reverse Split proposal in order give the board the authority to implement a Reverse Split intended to increase the Company's bid price. The Company does not currently comply with the requirements for initial listing on either the Nasdaq Capital Market or the NYSE MKT under any of the alternative listing standards. It is unlikely that the Reverse Split will enable the Company to comply with the listing standards of these listing media; however, the Reverse Split could be implemented in the future by the Board of Directors if it determines that doing so could support the Company's eligibility for an exchange listing.

The board believes that the Reverse Split and anticipated increase in the per share price of the common stock should also enhance the acceptability and marketability of the common stock to the financial community and investing public. Many institutional investors have policies prohibiting

them from holding lower-priced stocks in their portfolios, which reduces the number of potential buyers of the common stock. Additionally, analysts at many brokerage firms are reluctant to recommend lower-priced stocks to their clients or monitor the activity of lower-priced stocks. Brokerage houses also frequently have internal practices and policies that discourage individual brokers from dealing in lower-priced stocks. Further, because brokers' commissions on lower-priced stock generally represent a higher percentage of the stock price than commissions on higher priced stock, investors in lower-priced stocks pay transaction costs which are a higher percentage of their total share value, which may limit the willingness of individual investors and institutions to purchase the common stock.

Although the board believes that a Reverse Split may be in the best interests of the Company and its stockholders, if implemented, the Reverse Split may result in some stockholders owning "odd-lots" of less than 100 shares. Brokerage commissions and other costs of transactions in odd lots may be higher, particularly on a per-share basis, than the cost of transactions in even multiples of 100 shares.

The company cannot assure you that the Reverse Split will have any of the desired consequences described above.

Certain Risk Factors Associated with the Reverse Split

There can be no assurance that the total market capitalization of the Company's common stock (the aggregate value of all the Company's common stock at the then market price) after the proposed Reverse Split will be equal to or greater than the total market capitalization before the proposed Reverse Split or that the per share market price of the Company's common stock following the Reverse Split will either equal or exceed the current per share market price.

There can be no assurance that the market price per new share of the Company's common stock after the Reverse Split will remain unchanged or increase in proportion to the reduction in the number of old shares of the Company's common stock outstanding before the Reverse Split. Accordingly, the total market capitalization of the Company's common stock after the proposed Reverse Split may be lower than the total market capitalization before the proposed Reverse Split and, in the future, the market price of the Company's common stock following the Reverse Split may not exceed or remain higher than the market price prior to the proposed Reverse Split.

If the Reverse Split is effected, the resulting per share stock price may not attract institutional investors or investment funds and may not satisfy the investing guidelines of such investors and, consequently, the trading liquidity of the Company's common stock may not improve.

While the board believes that a higher stock price may help generate investor interest, there can be no assurance that the Reverse Split will result in a per share price that will attract institutional investors or investment funds or that such share price will satisfy the investing guidelines of institutional investors or investment funds. As a result, the trading liquidity of the Company's common stock may not necessarily improve.

A decline in the market price of the Company's common stock after the Reverse Split may result in a greater percentage decline than would occur in the absence of a Reverse Split, and the liquidity of the Company's common stock could be adversely affected following such a Reverse Split.

If the Reverse Split is effected and the market price of the Company's common stock declines, the percentage decline may be greater than would occur in the absence of a Reverse Split. The market price of the Company's common stock will, however, also be based on the Company's performance and other factors, which are unrelated to the number of shares outstanding. Furthermore, the reduced number of shares that would be outstanding after the Reverse Split could adversely affect the liquidity of the Company's common stock.

Determination of Reverse Split Ratio

In asking the stockholders to approve the Reverse Split, the board is also asking the stockholders to grant to the board the authority to set the ratio for the Reverse Split (provided it is not greater than 1:50) immediately prior to the consummation of the Reverse Split. Fluctuations in the market price of the Company's common stock prior to the time that the Company could effect the Reverse Split require that the board have the flexibility to set the exact ratio of the Reverse Split (provided it is not greater than 1:50) immediately prior to the consummation of the Reverse Split in order to attempt to achieve the objectives of the Reverse Split. The board will set the ratio for the Reverse Split, delay or abandon the Reverse Split as it determines is advisable considering relevant market conditions from time to time. If the Company is able to complete a significant placement of securities with one or more institutional investors in the foreseeable future, the Company anticipates that it will consult with those institutional investors at the time of the private placement with respect to the appropriate Reverse Split ratio. The board believes that approval of this discretion, rather than approval of a specific ratio, provides the board with maximum flexibility to react to current market conditions and to the needs of prospective investors in the Company, and to therefore act in the best interests of the Company and its stockholders. In setting the ratio for the Reverse Split, the intention of the board is to increase the stock price to a price that will best accomplish the goals of the Reverse Split, as discussed above.

Procedure for Effecting a Reverse Stock Split and Exchange of Stock Certificates

If the Board of Directors decides to implement a reverse stock split, the Company will not be required to file with the Secretary of State of the State of Nevada a certificate of amendment to the Company's Certificate of Incorporation. A reverse stock split will become effective at the time and on the date approved by the Financial Industry Regulatory Authority, Inc. ("FINRA") for trading of our common stock ex-dividend, which will be referred to as the "effective time" and "effective date," respectively. Beginning at the effective time, each certificate representing shares of common stock will be deemed for all corporate purposes to evidence ownership of the number of whole shares into which the shares previously represented by the certificate were combined pursuant to the reverse stock split.

Some of the Company's registered stockholders hold all their shares in certificate form. If any of your shares are held in certificate form, you will receive a transmittal letter from the Company's transfer agent, Corporate Stock Transfer (the "Transfer Agent"), as soon as practicable after the effective date of the Reverse Split. The letter of transmittal will contain instructions on how to surrender your certificate(s) representing your shares of the common stock ("Old Certificates") to the Transfer Agent in exchange for certificates representing the appropriate number of whole shares of common stock as a result of the Reverse Split ("New Certificates"). No New Certificates will be issued to a stockholder until such stockholder has surrendered all Old Certificates, together with a properly completed and executed letter of transmittal, to the Transfer Agent. Consequently, you will need to surrender your Old Certificate(s)

before you will be able to sell or transfer your stock.

Stockholders will then receive a New Certificate or certificates representing the number of whole shares of common stock into which their shares of common stock have been converted as a result of the Reverse Split (“New Common Stock”). Until surrendered, outstanding Old Certificates held by stockholders will be deemed to be canceled and only to represent the number of whole shares of New Common Stock to which these stockholders are entitled.

Any Old Certificates submitted for exchange, whether because of a sale, transfer or other disposition of stock, will automatically be exchanged for certificates evidencing shares of New Common Stock.

If an Old Certificate has a restrictive legend on the back of the Old Certificate, a New Certificate evidencing shares of New Common Stock will be issued with the same restrictive legends, if any, that are on back of the Old Certificate(s).

All expenses of the exchange will be borne by the Company.

Stockholders should not destroy any stock certificate(s). You should not send your Old Certificates to the Transfer Agent until you have received the letter of transmittal.

Effect on the Company’s Convertible Securities

The number of shares of common stock issuable upon the exercise of the Company’s outstanding warrants or on conversion of outstanding convertible securities will be proportionately decreased and the exercise price for such warrants will be proportionately increased, in each case based on the Reverse Split ratio selected by the board.

No Fractional Shares

No scrip or fractional share certificates will be issued in connection with the reverse stock split. Shareholders who otherwise would be entitled to receive fractional shares because they hold a number of shares of our common stock not evenly divisible by the Reverse Split ratio will be entitled, upon surrender of certificate(s) representing such shares, to receive an additional whole share.

Authorized Shares

The reverse stock split would not change the number of authorized shares of our common stock designated in our Articles. Therefore, because the number of issued and outstanding shares of our common stock would decrease, the number of shares available for issuance under our authorized pool of common stock would increase from

approximately 25,619,452 million shares to 988,528,389 million shares, assuming a hypothetical one-for-fifty Reverse Split and the Share Increase.

These additional shares would be available for issuance from time to time for corporate purposes such as raising additional capital, making strategic acquisitions, entering into collaborative and licensing arrangements and employee recruitment and retention. We believe that the availability of the additional common shares will provide us with the flexibility to meet business needs as they arise, to take advantage of favorable opportunities and to respond to a changing corporate environment. Our future revenue may be insufficient to support the expenses of our operations and the planned expansion of our business. We therefore may need additional equity capital to finance our operations. We may seek to obtain such equity capital through the issuance of common stock or

securities convertible into common stock. We have no present plan, commitment, arrangement, understanding or agreement regarding issuance of these additional shares of common stock. The issuance of a substantial number of additional common shares may result in dilution of your ownership interest in the Company.

Potential Anti-Takeover Effect

The proposed Reverse Split is not part of any plan to adopt a series of amendments having an anti-takeover effect, and the Company's management presently does not intend to propose anti-takeover measures in future proxy solicitations. Subject to the limitations of Nevada law, it could be possible to use the additional shares of common stock that would become available for issuance if the Reverse Split is approved to oppose a hostile takeover attempt or delay or prevent changes of control of the Company or changes in or removal of our management, including transactions that are favored by a majority of the independent shareholders or in which the shareholders might otherwise receive a premium for their shares over then-current market prices or benefit in some other manner. For example, our board of directors could, without further shareholder approval, strategically sell shares of our common stock in a private transaction to purchasers who would oppose a takeover or favor our current board of directors. The Reverse Split is not being proposed in response to any effort, nor are we aware of any effort, to accumulate shares of our common stock or obtain control of the Company.

Our Articles and bylaws contain certain provisions that could make it more difficult for a third party to acquire a controlling interest without the consent of our board. These provisions may delay or prevent a change of control, even if the change of control would benefit the shareholders. In addition, the authority granted to the board by our Articles to issue shares of preferred stock and fix the designations, powers, preferences, rights, qualifications, limitations and restrictions of the shares of any series so established could be used to delay or prevent a change of control. None of these provisions would be affected by the Reverse Split.

Other Effects on Outstanding Shares

If the Reverse Split is implemented, the rights and preferences of the outstanding shares of our common stock would remain the same after the Reverse Split. Each share of common stock issued pursuant to the reverse stock split would be fully paid and nonassessable.

In addition, the Reverse Split would result in some shareholders owning "odd-lots" of fewer than 100 shares of our common stock. Brokerage commissions and other costs of transactions in odd-lots are generally higher than the costs of transactions in "round-lots" of even multiples of 100 shares.

Accounting Effects of the Reverse Split

Following the effective time of the Reverse Split, the par value of our common stock will remain at \$.001 per share. The number of outstanding shares of common stock will be reduced by a factor of up to 98%, not taking into account additional shares that may be issued as a result of rounding up to the nearest whole share any fractional shares that otherwise would result from the Reverse Split. Accordingly, the aggregate par value of the issued and outstanding shares of our common stock, and therefore the stated capital associated with our common stock, will be reduced, and the additional paid-in capital (capital paid in excess of the par value) will be increased in a corresponding amount for statutory and accounting purposes. If the Reverse Split is effected, all share and per share information in our financial statements will be restated to reflect the Reverse Split for all periods presented in our future filings, after the effective time of the amendment, with the SEC, as applicable. Shareholders' equity will remain unchanged.

Public Trading – New Ticker Symbol

If our shareholders approve the Reverse Split and our board of directors subsequently elects to implement a Reverse Split, it is likely that the Reverse Split will be implemented at a point in time when the Company's shares of common stock are still trading on the Over-The-Counter Market and quoted on the OTC Electronic Bulletin Board or the OTC Market, Inc.'s OTC.QB or OTC.Pink. As a result, in order to implement a Reverse Split, our board of directors will be required to notify the FINRA of the Reverse Split, the desired Reverse Split ratio, and other information that the FINRA will require in order to approve and implement the split. In addition, the Company will notify the FINRA of the effective date of the Reverse Split, which will be deemed a "dividend distribution date" notwithstanding the fact that there will, in fact, be no distribution to our shareholders. Once the FINRA has approved the Reverse Split, it may, but is not required to assign to the Company's post Reverse Split common stock a new trading ticker symbol. If FINRA elects to assign a new ticker symbol, we have no way to request any particular ticker symbol and no way to influence the FINRA's selection of a new ticker symbol for our post Reverse Split shares. Once the effective date has been established and the new ticker symbol assigned, we will publish a press release informing our shareholders and other members of the investment community of the effective date of the Reverse Split and the Company's new post-split ticker symbol. On the effective date of the Reverse Split, our shares will begin trading under the new ticker symbol and the trading price, number of shares, market capitalization and other share and per share information pertaining to the Company's shares of common stock will reflect the post Reverse Split ratios.

No Appraisal Rights

Stockholders do not have appraisal rights under Nevada Revised Statutes or under the Company's Articles of Incorporation (as amended) in connection with the Reverse Split.

Reservation of Right to Abandon Reverse Stock Split

The company reserves the right to abandon the Reverse Split without further action by the stockholders at any time before the effectiveness of the Reverse Split.

Circular 230 Tax Disclosures

Certain federal income tax consequences of the proposed transactions described herein are discussed below in the Sections entitled "Certain Federal Income Tax Consequences of the Reverse Stock Split". These discussions are based upon the Internal Revenue Code, applicable Treasury Regulations, judicial authority and administrative rulings and practice, all as of the date hereof. The company has not and will not request a ruling from the Internal Revenue Service, nor an opinion of counsel, regarding these tax issues. Further, these discussions do not address all federal income tax consequences that may be relevant to a particular holder of shares of common stock or options or warrants to acquire common stock, or any foreign, state or local tax considerations.

The following disclosures are intended to comply with applicable Treasury Regulations. The discussions of certain federal income tax consequences referenced above and set forth below are not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer. These discussions of certain federal income tax

consequences are not written to support the promotion or marketing of the transactions described herein. Accordingly, holders of common stock and warrants and options to acquire common stock are strongly urged to seek advice based on each holder's own particular circumstances from an independent tax advisor.

Certain Federal Income Tax Consequences of a Reverse Stock Split

The following is a summary of the material U.S. federal income tax consequences of a reverse stock split. This discussion is based on the Internal Revenue Code, the Treasury Regulations promulgated thereunder, published statements by the Internal Revenue Service and other applicable authorities in effect as of the date of this Information Statement, all of which are subject to change, possibly with retroactive effect. This discussion does not address the tax consequences to holders that are subject to special tax rules, such as banks, insurance companies, regulated investment companies, personal holding companies, foreign entities, nonresident alien individuals, broker-dealers and tax-exempt entities. Further, it does not address any state, local or foreign income or other tax consequences. This summary also assumes that the shares of common stock held immediately prior to the effective time of the Reverse Split were, and the new shares received will be, held as a "capital asset," as defined in the Internal Revenue Code (generally, property held for investment).

The company believes that the material U.S. federal income tax consequences of a reverse stock split would be as follows:

- The Company will not recognize any gain or loss as a result of the Reverse Split.
- Stockholders will not recognize any gain or loss as a result of the Reverse Split.
- The aggregate adjusted basis of the shares of each class of the common stock held following the Reverse Split will be equal to the stockholder's aggregate adjusted basis immediately prior to the Reverse Split.
- A stockholder's holding period for the common stock the stockholder continues to hold after the Reverse Split will include the holding period for the common stock held immediately prior to the Reverse Split.

The company's beliefs regarding the tax consequences of the Reverse Split is not binding on the Internal Revenue Service or the courts. Accordingly, the Company urges stockholders to consult with their personal tax advisors with respect to all of the potential tax consequences of the Reverse Split.

Approval of the Board of Directors and Shareholders

The Board of Directors of the Company, after careful consideration, has approved the Reverse Split and has recommended that the Company's Shareholders vote for its adoption. Effective September __, 2017, Shareholders holding 75% of the Company's shares of common stock outstanding executed a written consent in lieu of a Shareholders meeting approving the Reverse Split.

Approval of Adoption of 2017 Equity Incentive Plan

Our board of directors has determined that, in order to be able to provide incentive to the management of prospective acquisition or merger targets, it is in the best interests of our shareholders that the Company adopt the 2017 Equity Incentive Plan to authorize the grant of options, restricted stock awards, tandem rights and other rights to acquire shares of our common stock.

In order to attract and hire key technical personnel and management as our Company grows, it will be necessary to offer option packages in order that we can compete effectively with other companies seeking the support of these highly qualified individuals.

As a result, our board of directors has recommended that we authorize the Company to grant rights to acquire up to a maximum of 10,000,000 shares of common stock under the Plan.

Our executive officers and directors are eligible to received option grants and common stock awards under the Plan. No determination or commitment has been made with respect to the possible participation of our executive officers and directors in future grants under the Plan.

Votes Required

Approval and adoption of the increase in the number of shares of common stock issuable under our equity incentive plan will require that the votes cast in favor of the proposal exceed the votes cast against the proposal.

Approval of the Board of Directors and Shareholders

The Board of Directors of the Company, after careful consideration, has approved the Company's 2017 Equity Incentive Plan and has recommended that the Company's Shareholders vote for its adoption. Effective September __, 2017, Shareholders holding 75% of the Company's shares of common stock outstanding executed a written consent in lieu of a Shareholders meeting approving the Company's 2017 Equity Incentive Plan.

2017 EQUITY INCENTIVE PLAN

The Company's 2017 Equity Incentive Plan was adopted by the Board of Directors and shareholders. In order to be authorized to grant incentive stock options that qualify under Section 422 of the Internal Revenue Code of 1986, as amended, it is necessary that such a plan receive and obtain shareholder approval. The essential features of the 2017 Plan are outlined below:

The 2017 Plan provides for the grant of (1) both incentive and nonstatutory stock options, (2) stock bonuses, (3) rights to purchase restricted stock and (4) stock appreciation rights (collectively, "Stock Awards"). Incentive stock options granted under the 2017 Plan are intended to qualify as "incentive stock options" within the meaning of Section 422 of the Code. Nonstatutory stock options granted under the 2017 Plan are intended not to qualify as incentive stock options under the Code. See "Federal Income Tax Information" for a discussion of th