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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: July 31, 2022
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from____ to ______

Commission File Number: **000-56149**

Freedom Internet Group Inc.
(Exact name of registrant as specified in its charter)

Puerto Rico	**66-0910894**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
151 Calle San Francisco, Suite 200 San Juan, Puerto Rico	**00901**
(Address of principal executive offices)	(Zip Code)

855-422-4200
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: None

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No ☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer	Smaller reporting company
	Emerging growth company

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

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: 11,132,208 shares of common stock outstanding as of September 19, 2022.

Freedom Internet Group Inc.
Table of Contents

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FREEDOM INTERNET GROUP INC.

CONDENSED BALANCE SHEETS
As of July 31, 2022 (unaudited) and October 31, 2021

	July 31, 2022 (Unaudited)	October 31, 2021
ASSETS		
Cash and cash equivalents	$ 358,212	$ 628,513
Prepaid expenses	19,000	11,500
Due from related party	1,215	-
Crypto currencies	64,211	150,014
Current portion of notes receivable	9,664	-
Total Current Assets	452,302	790,027
Royalty interests, net of accumulated amortization of $113,605 and $79,855, respectively	562,070	595,820
Notes receivable	56,891	-
Investment (Note 4)	123,445	-
Total assets	$ 1,194,708	$ 1,385,847
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 836	$ 16,794
Total Current Liabilities	836	16,794
Total Liabilities	836	16,794
COMMITMENTS AND CONTINGENCIES (Note 5)		
Stockholders' Equity		
Preferred Stock; $0.01 par value; 5,000,000 shares authorized; none issued and outstanding	-	-
Common stock; $0.01 par value; 200,000,000 shares authorized, 11,132,208 shares issued and outstanding	111,321	111,321
Common stock payable	95,000	-
Additional paid in capital	2,240,447	2,240,447
Accumulated deficit	(1,252,896)	(982,715)
Total Stockholders' Equity	1,193,872	1,369,053
Total Liabilities and Stockholders' Equity	$ 1,194,708	$ 1,385,847

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

FREEDOM INTERNET GROUP, INC.

CONDENSED STATEMENTS OF OPERATIONS
For the three and nine months ended July 31, 2022 and 2021
(unaudited)

	For the Three Months Ended July 31,		For the Nine months Ended July 31,	
	2022	2021	2022	2021
Revenues				
Royalties (net)	$ 25,691	$ 17,353	$ 51,331	$ 59,723
Operating Expenses				
Advertising	-	46	570	7,014
Professional and consulting	22,512	42,095	127,452	133,349
Salaries and payroll taxes	29,906	29,931	90,747	90,772
Rent expense	75	75	175	225
Amortization of royalty interests	11,250	14,250	33,750	40,105
Other expenses	3,383	6,681	21,478	20,902
Total Operating Expenses	67,126	93,078	274,172	292,367
Loss from operations	(41,435)	(75,725)	(222,841)	(232,644)
Other Income/(Expense)				
Interest income	2,442	3,541	8,235	3,899
Loss on crypto currency impairment	(40,809)	-	(56,187)	-
Forgiveness of PPP loan	-	11,300	-	11,300
Other	81	70	612	327
Total other income/(expense)	(38,286)	14,911	(47,340)	15,526
Net Loss	$ (79,721)	$ (60,814)	$ (270,181)	$ (217,118)
Net loss per common share - basic and diluted	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted average shares outstanding - basic	11,132,208	11,132,208	11,132,208	11,132,208
Weighted average shares outstanding - diluted	11,132,208	11,132,208	11,132,208	11,132,208

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

FREEDOM INTERNET GROUP INC.

CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY

For the three and nine months ended July 31, 2022 and 2021 (unaudited)

	Preferred Stock		Common Stock						
	Shares	Amount	Shares	Amount	Common Stock Subscribed	Common stock payable	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance November 1, 2020	**-**	**$ -**	**9,230,400**	**$ 92,304**	**$ 19,017**	**$ -**	**$ 2,240,447**	**$ (651,580)**	**$ 1,700,188**
Net Loss	-	-	-	-	-	-	-	(48,297)	(48,297)
Balance, January 31, 2021	**-**	**$ -**	**9,230,400**	**$ 92,304**	**$ 19,017**	**$ -**	**$ 2,240,447**	**$ (699,877)**	**$ 1,651,891**
Net loss	-	-	-	-	-	-	-	(108,007)	(108,007)
Balance April 30, 2021	**-**	**$ -**	**9,230,400**	**$ 92,304**	**$ 19,017**	**$ -**	**$ 2,240,447**	**$(807,884)**	**$1,543,884**
Net loss	-	-	-	-	-	-	-	(60,814)	(60,814)
Balance, July 31, 2021	**-**	**$ -**	**9,230,400**	**$ 92,304**	**$ 19,017**	**$ -**	**$ 2,240,447**	**$ (868,698)**	**$ 1,483,070**
Balance November 1, 2021	**-**	**-**	**11,132,208**	**$ 111,321**	**$-**	**$-**	**$ 2,240,447**	**$ (982,715)**	**$ 1,369,053**
Net Loss	-	-	-	-	-	-	-	(115,457)	(115,457)
Balance, January 31, 2022	**-**	**$ -**	**11,132,208**	**$ 111,321**	**$ -**	**$ -**	**$ 2,240,447**	**$ (1,098,172)**	**$ 1,253,596**
Net loss	-	-	-	-	-	-	-	(75,003)	(75,003)
Balance April 30, 2022	**-**	**$ -**	**$11,132,208**	**$ 111,321**	**$ -**	**$ -**	**$ 2,240,447**	**$ (1,173,175)**	**$ 1,178,593**
Common stock payable	-	-	-	-	-	95,000	-	-	95,000
Net loss	-	-	-	-	-	-	-	(79,721)	(79,721)
Balance, July 31, 2022	**-**	**$ -**	**11,132,208**	**$ 111,321**	**$ -**	**$ 95,000**	**$2,240,447**	**$ (1,252,896)**	**$ 1,193,872**

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

FREEDOM INTERNET GROUP, INC.

CONDENSED STATEMENTS OF CASH FLOWS
For the nine months ended July 31, 2022 and 2021
(unaudited)

	For the nine months ended July 31, 2022	For the nine months ended July 31, 2021
Cash flows from operating activities:		
Net loss	$ (270,181)	$ (217,118)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on crypto currency impairment	56,187	-
Amortization of royalty interests	33,750	40,105
Forgiveness of PPP loan	-	(11,300)
Due from related party	(1,215)	-
Prepaid expenses	(7,500)	14,000
Accounts payable and accrued liabilities	(15,957)	(1,565)
Net cash used in operating activities	(204,916)	(175,878)
Cash flows from investing activities		
Issuance of Notes Receivable	(95,000)	-
Sale of cryptocurrencies	165,143	-
Purchase of royalty interest	-	(125,000)
Purchase of crypto currencies	(135,528)	(148,362)
Net cash used in investing activities	(65,385)	(273,362)
Net change in cash and cash equivalents	(270,301)	(449,240)
Cash and cash equivalents, at beginning of period	628,513	1,035,120
Cash and cash equivalents, at end of period	$ 358,212	$ 585,880
Schedule of Non-Cash Financing Activities		
Common-stock payable for investment	95,000	-
Discount on notes receivable in exchange for investment	28,445	-
Supplemental cash flow information:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

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

FREEDOM INTERNET GROUP INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

On November 15, 2018, (commencement of operations) Freedom Internet Group Inc. (the "Company" or "we") was organized in Puerto Rico to provide Internet-focused entrepreneurs with business consulting services, centralized management services and revenue-based financing. The Company is engaged in the business of acquiring, holding and managing royalty interests derived from Internet based businesses, referred to as operators. Royalty interests are passive (non-operating) agreements that provide the Company with contractual rights to revenue produced from operators.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The accompanying interim unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information under Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the Company's opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended July 31, 2022, are not necessarily indicative of the results for the full year. While management of the Company believes that the disclosures presented herein are adequate and not misleading, these interim financial statements should be read in conjunction with the audited financial statements and the footnotes thereto for the period ended October 31, 2021.

The accounting and reporting policies of the Company conform with accounting principles generally accepted in the United States of America, and, as such, include amounts based on judgments, estimates, and assumptions made by management that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

From time to time, the Company may invest in other Companies and acquire a minority interest. The Company evaluates each investment in accordance with ASU 2016-01, which provides guidance on the classification and measurement of investments in equity securities. The Company evaluates accounting for each investment under the equity or cost method depending on whether or not the Company has significant influence or control over the investee. If an investment is considered an equity investment, when the Company has significant influence over the entity's decision making and in such case the Company will record its share of earnings in the income statement. An investment may be determined to be measured at cost, when the Company has no control or significant influence in decisions and in such case, the Company will record its investment at cost and evaluate it for impairment at each period reported.

If the Company were deemed to be in control or the primary beneficiary under variable interest consideration, the Company would consolidate the operations of the underlying investment.

Royalty Interests

Royalty interests are passive (non-operating) agreements that provide us with contractual rights to a percentage of revenue produced from companies we provide funds to. The Company amortizes the cost of royalty interests over the estimated life of the cash flows produced by the agreement, which is initially estimated at 15 years. Royalty interests are considered a long-lived asset that is required to be reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The Company evaluates its royalty agreements at subsequent reporting periods to determine if a change in the underlying agreement or cash flows warrants a change in the estimate. Impairment exists for the royalty interests if the carrying amount exceeds the estimate of future net undiscounted cash flows expected to be generated by such assets. An impairment charge is required to be recognized if the carrying amount of the asset, or asset group, exceeds its fair value.

Revenue Recognition

The Company recognizes revenue under royalty interest agreements when earned and collection is reasonably assured.

The Company recognizes revenue from sales-based royalty interest agreements when the later of the following events occur: (1) the subsequent sales occur or (2) the performance obligation to which some or all for the sales-based royalty has been allocated has been satisfied or partially satisfied. The Company deems collection efforts to be the key performance obligation being satisfied, and therefore has adopted the approach of recognizing revenue based on customer collections. The operators that are parties to the royalty agreements, are typically structured to report and pay percentages of revenue earned over quarterly or monthly periods, some of which do not line up with the quarterly reporting period of the Company.

Income Taxes

Income taxes are accounted for under the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established for deferred tax assets that, based on management's evaluation, are not expected to be realized. As of the balance sheet date, the Company maintains a full valuation allowance against their deferred tax asset.

Tax benefits of uncertain tax positions are recorded only where the position is "more likely than not" to be sustained based on their technical merits. The amount recognized is the amount that represents the largest amount of tax benefit that is greater than 50% likely of being ultimately realized. A liability is recognized for any benefit claimed or expected to be claimed, in a tax return in excess of the benefit recorded in the financial statements, along with any interest and penalty (if applicable) in such excess. The Company has no uncertain tax positions as of July 31, 2022.

Cryptocurrencies

The Company made investments in crypto currencies, including bitcoin and Ethereum, during the nine-months ended July 31, 2022 and 2021 of $135,528 and $148,362, respectively. Such amounts are included in current assets at original cost in the accompanying balance sheets, net of impairment. The Company also sold $165,143 of its portfolio of cryptocurrencies for the nine months ended July 31, 2022.

Cryptocurrencies held are accounted for as intangible assets with indefinite useful lives. An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the cryptocurrency at the time its fair value is being measured. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. During the nine months ended July 31, 2022, the Company recognized an impairment loss of $56,187 on its investment in cryptocurrencies.

NOTE 3 - ROYALTY INTERESTS

The Company recorded total amortization expense related to royalty agreements $33,750 and $40,105, for the nine-month periods ended July 31, 2022 and 2021, respectively.

NOTE 4 – INVESTMENT IN FINANCIER

Equity Investment

On July 15, 2022, the Company entered into a purchase and sale agreement with Financier LB Group, LLC ("Financier") where Financier sold the Company 12.5% of the equity interests of Financier. The purchase price is payable as follows: (a) $95,000 in the form of the common stock of the Company which shall be restricted for 12 months, and (b) $95,000 cash at closing in the form of an interest free loan to the seller with the first payment due 30 days following delivery of the Company's Common Stock, payable in equal installments of $1,583 over sixty months. As of July 31, 2022, the Company has not issued the common stock to Financier and has recorded a $95,000 common stock payable. In connection with the purchase, for a period of three years, the Company has the option to purchase the remaining 87.5% outstanding equity of Financier, for $1,330,000.

As of July 31, 2022, the Company has accounted for its investment in Financier using the cost method as the Company does not have the ability to exert significant influence over Financier.

Loan Receivable

As part of the transaction above, the Company issued an interest free loan to Financier in the amount of $95,000. The Company imputed interest at 15% and as such created a discount to the Notes Receivable in the amount of $28,445, which increased the total investment to $123,445 at July 31, 2022.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus disease ("COVID-19") as a pandemic, which continues to spread throughout the U.S. COVID-19 is having an unprecedented impact on the U.S economy as federal, state, and local governments react to this public health crisis.

The impacts of the current COVID-19 pandemic are broad reaching and the impacts on the Company's licensing royalty interests is to date unknown. Due to the COVID-19 outbreak, there is significant uncertainty surrounding the potential impact on the Company's future results of operations and cash flows and its ability to raise capital. Continued impacts of the pandemic could materially adversely affect the Company's near-term and long-term revenues, earnings, liquidity, and cash flows as the Company's customers and/or licensees may request temporary relief, delay or not make scheduled payments on their royalty commitments.

NOTE 6 - COMMON STOCK

Stock Dividend

On November 2, 2020, our Board of Directors effectuated a three-for-one stock split of our common stock in the form of a stock dividend (the "**Stock Split**"), so that each stockholder of record as of the close of business on November 2, 2020 received two (2) additional shares of common stock for each share of common stock held by such stockholder. This resulted in 6,158,600 additional shares of common stock being issued to the current shareholders and 1,267,848 shares set aside for the common stock subscribed for the private placement and the SAFE instrument conversions. After the stock dividend, the Company has 11,132,208 shares outstanding. No effect on the par value of the shares occurred and remains at $0.01, par value. All current and prior period amounts related to shares outstanding, price per share and earnings per share in the Company's financial statements and accompanying notes have been restated to give retroactive presentation related to the stock split.

Warrants

At July 31, 2022, warrants outstanding are as follows:

	Warrant Shares	Weighted Average Exercise Price
Balance at October 31, 2021	254,511	$ 2.67
Granted	-	-
Forfeit or cancelled	(254,511)	(2.67)
Exercised	-	-
Balance at July 31, 2022	-	$-

On December 31, 2021, warrants to purchase 254,511 shares of common stock expired unexercised.

NOTE 7 – RELATED PARTY TRANSACTIONS

During the nine-months ended July 31, 2022 and 2021, the Company recorded $1,215 and $0, respectively in related party receivables for payments made on behalf of an affiliated entity.

In conjunction with the transaction to acquire an interest in Financier, the Company issued a zero interest rate note in the amount of $95,000, payable in equal installments of $1,583 for a period of sixty months, see Note 4.

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

Forward-Looking Information

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "we believe," "we intend," "may," "should," "will," "could" and similar expressions denoting uncertainty or an action that may, will or is expected to occur in the future. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances or achievements expressed or implied by the forward-looking statements.

Examples of forward-looking statements include:

- the timing of the development of future products;
- projections of costs, revenue, earnings, capital structure and other financial items;
- statements of our plans and objectives;
- statements regarding the capabilities of our business operations;
- statements of expected future economic performance;
- statements regarding competition in our market; and
- assumptions underlying statements regarding us or our business.

The ultimate correctness of these forward-looking statements depends upon several known and unknown risks and events. We discuss our known material risks under "Risk Factors" in our most recently filed Annual Report on Form 10-K filed on February 15, 2022 and under Part II, Item 1.A. "Risk Factors" contained in this report in Form 10-Q. However, readers should carefully review the risk factors set forth in other reports or documents we file from time to time with the Securities and Exchange Commission, particularly any future Annual Reports on Form 10- K, any Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K. Many factors could cause our actual results to differ materially from the forward-looking statements. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

We caution you that actual outcomes and results may differ materially from what is expressed, implied, or forecast by our forward-looking statements. The forward-looking statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Overview and Principal Services

We are engaged in the business of acquiring, holding and managing royalty interests derived from Internet based businesses. Royalty interests are passive (non-operating) agreements that provide us with contractual rights to revenue produced from our operators. The revenue generated by our operators is typically from physical or digital product sales, subscriptions and advertising.

Our purchase of royalty interests enables entrepreneurs to raise non-dilutive capital and retain control of their businesses. When we enter into royalty interest agreements, our primary objectives are to generate revenue streams from our operators and increase our corporate cash flow. In some cases, we may also generate a premium on our original purchase price if a royalty interest is redeemed by an operator or third-party such as a buyer of an operator. We plan to acquire royalty interests that can generate a 15% to 30% internal rate of return, although there can be no guarantee that we will achieve this target.

Royalty interests are purchased for a fixed amount of capital in exchange for pre-determined royalty payments. Depending on the unique agreement, (i) royalty payments can be made monthly, quarterly or annually, (ii) royalty payments can be made in perpetuity or for a limited amount of time, (iii) royalty payment calculations can change during the term of the royalty interest agreement based on certain performance metrics or time and (iv) royalty payments can be calculated off gross revenue of our operators, or off net-revenue, which accounts for certain defined adjustments to gross revenue, or off unit sales.

We primarily intend to negotiate royalty interests directly from operators, but we may also acquire existing royalty interests from third parties. A key element of our business model is the building of a diversified portfolio of high-quality royalty interests from Internet based businesses.

We currently, and generally at any time, have royalty interest acquisition opportunities in various stages of active review. At this time, we cannot provide assurance that any of the possible transactions under review by us will be concluded successfully.

In addition to offering royalties, we also seek strategic investments in businesses that deal flow for our core offering of royalty financing. On July 15, 2022 we made such an investment in Financier. Offering financing to our target audience, Financier has been able to amass deal flow and a relationship with thousands of small businesses in need of financing. Our investment in Financier encourages a symbiotic relationship wherein clients are referred between the entities. This strategic investment not only provides deal flow to our Company, but allows us to monetize previously dead leads.

Unless the context otherwise requires, all references to “our Company,” “we,” “our” or “us” and other similar terms means Freedom Internet Group Inc.

Strategy

We look for businesses operated by managers, referred to as operators, and acquire a passive interest so that we can participate in the revenue generated by paying up front for the royalty interest.

We use a series of quantitative, qualitative, financial, and legal criteria by which we evaluate the potential acquisition of royalty interests. We plan to acquire assets with an income focus, and our target is to acquire assets generating 15% to 30% internal rate of return, although there can be no guarantee that we will achieve this target. Among the factors considered are: (1) the business track record of revenue and earnings; (2) the type of business that generates royalties; (3) the experience and skill of the active management team of the business; (4) our assessment of the longevity and staying power of the underlying business; and (5) the potential for revenue growth and capital appreciation.

We have established our business model based on the premise that acquiring non-operating, passive royalty interests in businesses can produce above average returns. The key elements of our business model and growth strategy are as follows:

1. Focus on non-operating royalty interests in high-quality Internet based businesses.
2. Negotiate new royalty interest agreements with operators.
3. Acquire pre-existing royalty interests from third parties.
4. Partner with experienced managers that have a proven track record.
5. Provide flexible royalty interest acquisition terms that work for operators and us.

In addition to offering royalties, we also seek strategic investments in businesses that deal flow for our core offering of royalty financing. On July 15, 2022, we made such an investment in Financier. Offering financing to our target audience, Financier has been able to amass deal flow and a relationship with thousands of small businesses in need of financing. Our investment in Financier encourages a symbiotic relationship wherein clients are referred between the entities. This strategic investment not only provides deal flow to our Company, but allows us to monetize previously dead leads.

Results of Operations for the three months ended July 31, 2022 and 2021

	Three months ended July 31, 2022	Three months ended July 31, 2021	Variance
Revenues	$25,691	$17,353	$8,338
Operating Expenses:			
Advertising and Marketing	-	46	(46)
Professional and consulting fees	22,512	42,095	(19,583)
Salaries and payroll taxes	29,906	29,931	(25)
Rent expense	75	75	-
Amortization of Royalty Interests	11,250	14,250	(3,000)
Other expenses	3,383	6,681	(3,298)
Total operating expenses	67,126	93,078	(25,952)
Other income (expenses)	(38,286)	14,911	(53,197)
Net loss	$(79,721)	$(60,814)	$18,907

Revenues: We generated $25,691 and $17,353 of revenues for the three months ended July 31, 2022 and 2021, respectively. Our revenues came from collection from royalty interests of 4 operators. We currently have royalty interests associated with 4 active operators. Operators pay royalties quarterly, based on their operational revenue. Revenue generated each quarter varies depending on the operators' revenue earned.

Operating Expenses: Overall operating expenses decreased to $67,126 for the three months ended July 31, 2022 as compared to $93,078 for the three months ended July 31, 2021, a variance of $25,952, generally because of decreasing our professional and consulting fees by $19,583, and amortization of royalty interests by $3,000, and other expenses by $3,298.

Our net loss increased from $60,814 to $79,721 primarily due to the impairment loss on cryptocurrencies of $40,809 offset by a reduction in operating expenses and increase in royalty revenue recognized.

Results of Operations for the nine months ended July 31, 2022 and 2021

	Nine months ended July 31, 2022	Nine months ended July 31, 2021	Variance
Revenues	$51,331	$59,723	$(8,392)
Operating Expenses:			
Advertising and Marketing	570	7,014	(6,444)
Professional and consulting fees	127,452	133,349	(5,897)
Salaries and payroll taxes	90,747	90,772	(25)
Rent expense	175	225	(50)
Amortization of Royalty Interests	33,750	40,105	(6,355)
Other expenses	21,478	20,902	(576)
Total operating expenses	274,172	292,367	(18,195)
Other income (expense)	(47,340)	15,526	(62,865)
Net loss	$(270,181)	$(217,118)	$53,062

Revenues: We generated $51,331 and $59,723 of revenues for the nine months ended July 31, 2022 and 2021, respectively. Our revenues came from collection from royalty interests of 4 operators. We currently have royalty interests associated with 4 active operators. Operators pay royalties quarterly, based on their operational revenue. Revenue generated each quarter varies depending on the operators' revenue earned.

Operating Expenses: Overall operating expenses decreased to $274,172 for the nine months ended July 31, 2022 as compared to $292,367 for the nine months ended July 31, 2021, a variance of $18,195, generally because of decreasing our advertising and marketing, professional and consulting fees and the amortization of royalty interests.

Our net loss increased from $217,118 to $270,181 primarily due to the impairment loss in cryptocurrencies of $56,187 offset by the decrease in the professional and consulting fees, and advertising and marketing.

Liquidity and Capital Resources

Our balance sheet as of July 31, 2022 as compared to October 31, 2021 reflects a decrease of cash assets of $270,301 due primarily to a net loss of $270,180 and payment of outstanding accounts payable of $15,958 offset by non-cash amortization of royalty interests of $33,750 and loss on crypto currency impairment of $56,187. We invested in cryptocurrencies in the amount of $135,528 during the nine months ended July 31, 2022 and sold $165,143 of cryptocurrencies. We currently have enough cash on hand to fund ongoing operations without the present need to raise additional capital for the next 12 months.

No assurance can be given that we will obtain access to capital markets in the future or that adequate financing to satisfy the cash requirements of implementing our business strategies will be available on acceptable terms. Our inability to gain access to capital markets or obtain acceptable financing could have a material adverse effect upon the results of our operations and financial condition. Our failure to raise additional funds if needed in the future will adversely affect our business operations, which may require us to suspend our operations.

It is likely that our operating losses will increase in the future and it is very possible we will never achieve or sustain profitability. We may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall or other unanticipated changes in our industry. Any failure by us to accurately make predictions would have a material adverse effect on our business, results of operations and financial condition.

Impact of Covid-19 Pandemic

The impacts of the current COVID-19 pandemic are broad reaching and the impacts on the Company's licensing royalty interests is to date unknown. Due to the COVID-19 outbreak, there is significant uncertainty surrounding the potential impact on the Company's future results of operations and cash flows and its ability to raise capital. Continued impacts of the pandemic could materially adversely affect the Company's near-term and long-term revenues, earnings, liquidity, and cash flows as the Company's customers and /or licensees may request temporary relief, delay or not make scheduled payments on their royalty commitments.

Critical Accounting Policies

Our critical accounting policies, including the assumptions and judgments underlying them, are disclosed in the Notes to the Financial Statements. We have consistently applied these policies in all material respects.

Revenue Recognition

The Company recognized revenue from sales-based royalty interest agreements when the later of the following events occur: (1) the subsequent sales occur or (2) the performance obligation to which some or all for the sales-based royalty has been allocated has been satisfied or partially satisfied. The Company deems collection efforts to be the key performance obligation being satisfied, and therefore has adopted the approach of recognizing revenue based on customer collections. The operators that are parties to the royalty agreements, are typically structured to report and pay percentages of revenue earned over quarterly or monthly periods, some of which do not line up with the quarterly reporting period of the Company.

Royalty Interests

Royalty interests are passive (non-operating) agreements that provide us with contractual rights to a percentage of revenue produced from companies we provide funds to. The Company amortizes the cost of royalty interests over the estimated life of the cash flows produced by the agreement, which is initially estimated at 15 years. Royalty interests are considered a long-lived asset that is required to be reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The Company evaluates its royalty agreements at subsequent reporting periods to determine if a change in the underlying agreement or cash flows warrants a change in the estimate. Impairment exists for the royalty interests if the carrying amount exceeds the estimates of future net undiscounted cash flows expected to be generated by such assets. An impairment charge is required to be recognized if the carrying amount of the asset, or asset group, exceeds its fair value.

Investments

From time to time, the Company may invest in other Companies and acquire a minority interest. The Company evaluates each investment in accordance with ASU 2016-01 which provides guidance on the classification and measurement of investments in equity securities. The Company evaluates accounting for each investment under the equity or cost method depending on whether or not the Company has significant control over the investee. If it's considered an equity investment, then the Company will record its share of earnings in the income statement. If it's determined to be measured at cost, then the Company will record its investment at cost and evaluate it for impairment at each period reported.

On July 15, 2022, the Company invested in Financier and evaluated whether or not to account for it using the equity or cost method. Preliminarily, the Company accounted for it using the Cost Method based on its inability to exercise significant control.

Off-Balance Sheet Arrangements

As of July 31, 2022, we do not have an interest in any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures.

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of July 31, 2022. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost- benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of July 31, 2022, our Principal Executive Officer and Principal Financial Officer concluded that, as of such date, our disclosure controls and procedures were not effective at the reasonable assurance level, due to material weaknesses identified including (i) lack of written documentation of internal control policies and procedures and (ii) lack of segregation of duties.

In connection with management's assessment of our internal control over financial reporting, we identified the following material weaknesses in our internal control over financial reporting as of July 31, 2022:

- We do not have written documentation of our internal control policies and procedures.
- Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. To the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. As of July 31, 2022, the initiation of transactions and recording of transactions are performed by Ronald Rosenfarb, our Chief Operating Officer.

Changes in Internal Control Over Financial Reporting. There were no changes in our internal control over financial reporting during the three months ended July 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

RISKS RELATED TO OUR RECENT ACQUISITION

Our interest in Financier LB Group, LLC could harm our financial condition.

On July 15, 2022, we acquired 12.5% of the issued and outstanding membership interests of Financier LB Group, LLC a Wyoming limited liability company ("Financier"). Although we believe this acquisition will bring further strategic relationships and royalty interests for our Company, in the long run, this acquisition has reduced our cash position. To the extent this acquisition does not provide us with an adequate return on investment, our financial condition could be harmed.

GENERAL RISKS RELATED TO OWNING CRYPTOCURRIENCIES

During the nine months ended July 31, 2022, our Company invested $135,528 of its cash reserves in cryptocurrencies including bitcoin and ethereum**.**

The prices of cryptocurrencies are extremely volatile.

Fluctuations in the price of cryptocurrencies could subject our cryptocurrency holdings to significant price volatility. The price of cryptocurrencies is affected by many factors beyond our control including global supply and demand, the expected future price, inflation expectations, interest rates, currency exchange rates, fiat currency withdrawal and deposit policies at virtual token exchanges, interruptions in service or failures of such exchanges, investment and trading activities of large holders of cryptocurrencies, government monetary policies, regulatory measures that restrict the use of cryptocurrencies and global political, economic or financial events. In addition, a decrease in the price of one cryptocurrency may cause volatility in the entire cryptocurrency industry, including the cryptocurrencies we hold. For example, a security breach that affects investor or user confidence in Bitcoin may affect the industry as a whole and may also cause the price of other cryptocurrencies to fluctuate dramatically.

The regulatory regime governing cryptocurrencies is still developing, and regulatory changes or actions may alter the nature of an investment in cryptocurrencies, which could significantly decrease our assets and the cash available to us to acquire additional royalty interests pursuant to our plan of business.

The regulation of cryptocurrencies and cryptocurrency exchanges are currently under-developed and likely to rapidly evolve and vary significantly among U.S. and non-U.S. jurisdictions, and are subject to significant uncertainty. As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies, with certain governments deeming them illegal while others have allowed their use and trade. Various legislative and executive bodies in the United States, and other countries, are, or are considering, enacting laws, regulations, guidance, or other actions, which could adversely impact the value of our cryptocurrency holdings.

The development and acceptance of transactions in cryptocurrencies are subject to a variety of factors that are difficult to evaluate.

The use of cryptocurrencies to buy and sell goods and services and complete transactions is part of a new and rapidly evolving industry, and the continued growth of this industry and the use of cryptocurrencies is subject to a high degree of uncertainty. The slowing or stopping of the development or acceptance of cryptocurrencies could have a material adverse effect on the value of the cryptocurrencies we hold and ultimately the cash available for us to acquire additional royalty interests pursuant to our plan of business, and we cannot assure you this will not occur. Factors that could affect the expansion or contraction of the use of cryptocurrencies include, but are not limited to:

- Continued worldwide growth in the adoption and use of cryptocurrencies;
- Governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of cryptocurrency systems;
- The maintenance and development of the open-source software protocol on which many cryptocurrencies are dependent;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- General economic conditions and the regulatory environment relating to cryptocurrencies; and
- Negative consumer sentiment and perception of cryptocurrencies in general.

We cannot predict with certainty any outcome regarding use of cryptocurrencies, and any of the above factors may have a material adverse effect on the value of our cryptocurrency holdings.

Our cryptocurrency holdings may be subject to loss, damage, theft or restriction on access, which could decrease the value of our cryptocurrency holdings and significantly decrease our assets and the cash available to us to acquire additional royalty interests pursuant to our plan of business.

A private key, or a combination of private keys, is necessary to control the cryptocurrency holdings stored in our digital wallet(s). Accordingly, any loss of the requisite private keys will result in loss of our cryptocurrency holdings, and they likely would not be recoverable. Moreover, any third party that gains access to such private keys, including by gaining access to login credentials of a hosted wallet service, could steal our cryptocurrency holdings. Any errors or malfunctions caused by or otherwise related to our digital wallet to receive and store cryptocurrencies, including failure to properly maintain or secure such digital wallet, may also result in our complete loss of our cryptocurrency holdings. If we lose access to our cryptocurrency holdings, we could suffer a complete loss of their value, which would significantly decrease our assets and the cash available to us to acquire additional royalty interests pursuant to our plan of business.

If part or all of our cryptocurrency holdings are lost, stolen or destroyed under circumstances rendering a party liable to our Company, the responsible party may not have the financial resources sufficient to satisfy our claim. For example, as to a particular event of loss, the only source of recovery for us might be the responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of our Company. Furthermore, we are not aware of any U.S. or foreign governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen cryptocurrencies. Consequently, we may be unable to replace missing cryptocurrencies or seek reimbursement for any erroneous transfer or theft of our cryptocurrency holdings. To the extent that we are unable to seek redress for such action, error or theft, such loss could decrease the value of our Company's assets.

Cryptocurrencies are subject to risks of uninsured losses.

Unlike bank accounts or accounts at some other financial institutions, cryptocurrencies are uninsured unless you specifically obtain private insurance to insure them, which we have not done, nor presently intend to do. Thus, in the event of loss or loss of utility value, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurance arranged by our Company, to offer recourse to us.

Trading or holding cryptocurrencies could expose us to various cyber security risks.

Trading platforms and third-party service providers may be vulnerable to hacking or other malicious activity. As with any computer code generally, flaws in cryptocurrency codes may be exposed to such negative activities. Several errors and defects have been found previously, including those that disabled some functionality for users of cryptocurrency trading platforms and exposed such users' personal information. Flaws in and exploitations of the source code allowing malicious actors to take or create money have previously occurred, and our Company is not immune to such events.

The tax treatment of cryptocurrencies is uncertain, and developments in tax laws could impact the tax treatment of our cryptocurrency holdings.

The tax characterization of cryptocurrencies is uncertain and transactions involving digital currencies or tokens, are relatively new. It is possible that the Internal Revenue Service ("**IRS**") may challenge our Company's intended treatment of our cryptocurrency holdings, and that the tax consequences of purchasing or holding cryptocurrencies could differ materially from those anticipated by our Company. Federal or state legislation may be enacted, or guidance may be issued, by the IRS (or other governmental authorities), possibly with retroactive effect, impacting our tax obligations with respect to our cryptocurrency holdings. Future changes in the tax laws (or future administrative or judicial interpretations) could materially and negatively impact our tax treatment with respect to cryptocurrencies.

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

Information set forth in Part II, Item 5 below is incorporated herein by reference.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not Applicable.

ITEM 5. OTHER INFORMATION.

On July 15, 2022, our Company entered into a purchase and sale agreement with Financier whereby we acquired 12.5% of the issued and outstanding membership interests of Financier in exchange for: (a) shares of common stock of our Company, which shall be restricted for 12 months, valued at $95,000 and (b) $95,000 cash at closing in the form of an interest free loan to Financier with the first payment due 30 days following delivery of the Company common stock, payable in equal installments of $1,583 over sixty months. As of the date of this report, we have not issued the common stock to Financier.

Also, in connection with the purchase, for a period of three years, our Company has the option to purchase the remaining 87.5% outstanding equity of Financier, for $1,330,000.

ITEM 6. EXHIBITS.

SEC Reference Number	Title of Document	Location
3.1	Certificate of Incorporation	Incorporated by reference to our Form S-1 Registration Statement filed on January 10, 2020
3.2	Bylaws	Incorporated by reference to our Form S-1 Registration Statement filed on January 10, 2020
3.3	Bylaws Amendment No. 1 dated November 14, 2019	Filed herewith
10.1	Purchase and Sale Agreement – Financier	Filed herewith
31.1	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, executed by the Principal Executive Officer of the Company	Filed herewith
31.2	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, executed by the Principal Financial Officer of the Company	Filed herewith
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the Principal Executive Officer of the Company	Furnished herewith
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the Principal Financial Officer of the Company	Furnished herewith
101	XBRL data files of Condensed Financial Statements and Notes contained in this Quarterly Report on Form 10-Q	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 filed herewith)	Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on September 19, 2022

Freedom Internet Group Inc.
Registrant

By: /s/ Alton Chapman
Alton Chapman
Principal Executive Officer

/s/ Noah Rosenfarb
Noah Rosenfarb
Principal Financial Officer