

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

FORM 10-K

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

For the fiscal year ended June 30, 2017

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

Commission File No. **000-55697**

LIFE CLIPS, INC.

(Exact Name of Issuer as specified in its charter)

Wyoming

(State or other jurisdiction
of incorporation)

18851 NE 29th Ave.
Suite 700 PMB# 348
Aventura, FL

(Address of principal executive offices)

46-2378100

(IRS Employer
File Number)

33180

(zip code)

(800) 292-8991

(Registrant's telephone number, including area code)

Securities to be Registered Pursuant to Section 12(b) of the Act: **None**

Securities to be Registered Pursuant to Section 12(g) of the Act:

Common Stock, \$0.001 per share par value

Indicate by check mark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No .

Indicate by check mark if registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes No .

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files. Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-K is contained in this form and no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

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 .

The market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$1,375,375.

As of April 3, 2018, registrant had outstanding 1,259,831,337 shares of common stock.

FORM 10-K
LIFE CLIPS, INC.
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Forward-Looking Statements

The following discussion contains forward-looking statements regarding us, our business, prospects and results of operations that are subject to certain risks and uncertainties posed by many factors and events that could cause our actual business, prospects and results of operations to differ materially from those that may be anticipated by such forward-looking statements. Factors that may affect such forward-looking statements include, without limitation: our ability to successfully develop new products and services for new markets; the impact of competition on our revenues, changes in law or regulatory requirements that adversely affect or preclude clients from using us for certain applications; delays our introduction of new products or services; and our failure to keep pace with our competitors.

When used in this discussion, words such as “believes”, “anticipates”, “expects”, “intends” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We undertake no obligation to revise any forward-looking statements in order to reflect events or circumstances that may subsequently arise. Readers are urged to carefully review and consider the various disclosures made by us in this report and other reports filed with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect our business.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

General Information about Our Company

Life Clips, Inc. (“Life Clips”, “we,” “us,” “our,” and the “Company”) was incorporated in Wyoming on March 20, 2013 as Blue Sky Media Corporation and its principal business was developing, financing, producing and distributing motion pictures and related entertainment products. Following the Company’s October 2, 2015 acquisition of Klear Kapture, Inc. (“Klear Kapture”), the Company continued Klear Kapture’s business of developing a body camera and an auditable software solution suitable for use by law enforcement. The Company changed its name to Life Clips, Inc. on November 3, 2015 in order to better reflect its business operations at the time.

Recent Developments

On July 11, 2016, the Company completed its previously announced acquisition (the “Acquisition”) of all of the outstanding equity securities of Butterfly Energy Ltd. (“Butterfly”), an Israel-based corporation that develops and distributes a single-use, cordless battery under the brand name Mobeego for use with cellular phones and other mobile devices. Butterfly is now a wholly-owned subsidiary of the Company. The Acquisition was completed pursuant to a Stock Purchase Agreement, dated as of June 10, 2016 (the “Purchase Agreement”), among the Company, Butterfly and all of the shareholders of Butterfly, as amended.

Following the acquisition of Butterfly, we began to focus on developing three synergistic businesses:

- Expanding the Mobeego line of mobile accessories.
- Global Sourcing Services that includes product design, factory identification, negotiations, compliance qualification, and end-to-end logistics management to source products anywhere in the world.
- Sales and marketing services that provide an efficient path for companies to launch and market product into multi-channel retail and capture the maximum return on investment.

We plan to reengage in these initiatives as we seek potential new distributors, joint venture and strategic alliance partners and additional sources of financing to enable us to pursue marketing and future development and commercialization activities related to the Mobeego.

On June 22, 2017, the Company entered into a Stock Purchase Agreement (the “SPA”) with Ascenda Corporation, a company limited by shares incorporated under the laws of Independent State of Samoa (“Ascenda”), Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Hong Kong (“Company HK”), and Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Independent State of Samoa (“Company Samoa”, and collectively with Company HK, the “Targets” and each a “Target”).

Effective as of November 24, 2017, Huey Long, the Company’s Chief Executive Officer and a member of its board of directors, resigned his position as an officer and director of the Company as previously disclosed by the Company. Further, on November 27, 2017, Seller, Company HK, Company Samoa and Donald Ruan entered into a Rescission and Mutual Release Agreement (the “Rescission Agreement”) pursuant to which the parties thereto agreed to rescind, ab initio, the SPA. As a result of the Rescission Agreement, the acquisition of the Targets is deemed not to have occurred and will be of no further force or effect. As a result of these events, and the Company’s efforts to secure additional financing and additional partners to expand sales of its Mobeego product line, the Company is no longer seeking to launch its planned global sourcing business with Textiss USA, Misaki Corporation and Axpertt Company Limited as previously disclosed.

Products

Our core product is Mobeego batteries.

Batteries

Mobeego consists of a one-time use, non-rechargeable, battery and a special, reusable phone adapter (plug), which is a small device that includes the charging control circuitry as well as a specific male connector that matches user device’s female connector. The Company is evaluating the resumption of selling Mobeego in the following ways:

- (1) Sets including a specific adapter and one or two emergency batteries
- (2) Refill Batteries
- (3) 6 pack of Batteries
- (4) set including an adapter and one emergency battery for Action cameras such as Life Clips’ action camera.

The Battery (Energy Unit):

The Energy Unit consists of a custom designed plastic casing, shaped as a small can of energy drink, hosting a powerful lithium battery. The energy “can” has a rail used to connect it to the adapter through a rail connection. This unit is designed to be seen as the “energy drink for the mobile devices”. It is for a single use, non-rechargeable.

Adapter

The adapter is a small plastic device that connects to the Battery through 2 connectors and to the mobile device through the specific connector on user’s cellphone, which could be Lightning or Deck for iPhones, micro-USB for Android devices, Blackberries and others. The Adapter features an On/Off switch and a LED to indicate when is charging. Within the adapter, there is a smart, electronic charging circuit on a circuit board.

Sales

We are evaluating a sales distribution model and the viability of sales of our products through retailers directly and through distributors. We are evaluating relationships with retailers and distributors, and our partners’ sales forces to map out a sales strategy for our products and a way to work with them to merchandise our products in a compelling manner in-store, as well as assessing a viable way to provide consumers with informative and convenient ecommerce experiences at retail partner websites.

Direct sales

In addition to the evaluation of our international sales model, we are evaluating the feasibility of selling directly to large and small retailers in the United States, directly to some retail outlets. Elements of the plans we are evaluating include:

- *Independent specialty retailers.* Potential use a network of location-based independent manufacturer representatives to sell our products to independent specialty retailers focused on action sports markets. Our representatives would provide highly personalized service to these retailers, including assisting with product mix planning, channel marketing and in-store merchandising, taking orders and providing clinics to educate retail sales personnel about Mobeego products.
- *Big box retailers.* Potential sales to large retailers with a national presence, including Amazon.com, Inc., Best Buy, Target Corporation and Wal-Mart, Inc.
- *Mid-market retailers.* Potential sales to retailers with a large regional or national presence, often focused on specific verticals such as consumer electronics, sporting goods, military, hunting and fishing and motor sports, which we refer to as our “mid-market” channel.
- *Ecommerce channel.* Sales of our Mobeego products directly to consumers around the world through an online store. We will evaluate ways to drive consumers to our website through online and offline advertising, as well as marketing promotions carried out at tradeshow and sponsored events.

Competition, competitive position in the industry and methods of competition

The battery industry is highly competitive. The Company faces intense competition from very large, international corporations, as well as from local and national companies. In addition, the Company faces competition from well-known companies that have large market share.

The intensity of competition in the future is expected to increase and no assurance can be provided that the Company can sustain its market position or expand its business.

Many of the Company’s current and potential competitors are well established and have longer operating histories, significantly greater financial and operational resources, and name recognition than the Company has.

The global sourcing industry is highly competitive. We face competition from very large international competitors. The competition in the future is going to increase. Ascenda is positioned to leverage its client partners and add additional clients.

Status of any publicly announced new product or service

None.

Employees

As of June 30, 2017, we had five contracted employees.

Patents and Trademarks

The Company currently has a United States trademark, Serial Number 86888487, for Life Clips. The Company, pursuant to the Butterfly acquisition, now also holds a United States trademark, Serial Number 79172000 for Mobeego, a patent in China, number 201630018307.4, as well as two patents in Israel, numbers 002743724-0001 and 002743724-0002. Any encroachment upon the company's proprietary information, including the unauthorized use of its brand name, the use of a similar name by a competing company or a lawsuit initiated either by our Company or against our Company for infringement upon proprietary information or improper use of a trademark, may affect our ability to create brand name recognition, cause customer confusion and/or have a detrimental effect on its business due to the cost of defending any potential litigation related to infringement. Litigation or proceedings before the U.S. or International Patent and Trademark Offices may be necessary in the future to enforce our intellectual property rights, to protect our trade secrets and/or to determine the validity and scope of the proprietary rights of others. Any such litigation or adverse proceeding could result in substantial costs and diversion of resources and could seriously harm our business operations and/or results of operations.

Government Approval

The battery and global sourcing industries may be regulated at the federal levels, both in terms of health and safety concerns, as well as product quality. Operation of the Company's business requires various licenses, permits and approvals. The Company currently holds all applicable licenses and permits to operate its business, and will continue to hold all applicable permits and licenses to continue operating its business and running its marketplace. In addition, Company will also ensure compliance with any additional licensing requirements that are required on an ongoing basis.

Government and Industry Regulation

The Company will be subject to local and international laws and regulations that relate directly or indirectly to its operations, such as the Securities Act of 1933, the Securities and Exchange Act of 1934, and Wyoming Corporation Law. It will also be subject to common business and tax rules and regulations pertaining to the operation of its business, such as the United States Internal Revenue Tax Code and the Wyoming State Tax Code, as well as international tax codes and shipping tariffs. The Company will also be subject to proprietary regulations such as United States Trademark and Patent Law as it applies to the intellectual property of third parties. The Company believes that the effects of existing or probable governmental regulations will be additional responsibilities of the management of the Company to ensure that the Company is in compliance with securities regulations as they apply to the Company's products as well as ensuring that the company does not infringe on any proprietary rights of others with respect to its products. The Company will also need to maintain accurate financial records in order to remain compliant with securities regulations as well as any corporate tax liability it incurs.

Research and Development

During the year ended June 30, 2017, the Company spent \$0 on the development of its products. We believe that we will need to incur research, compliance, licensing and development expenses, specifically related to our Mobeego products.

Environmental Compliance

We believe that we are not subject to any material costs for compliance with any environmental laws.

How to Obtain our SEC Filings

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to these reports, are available on our website at www.lifeclips.com, as soon as reasonably practicable after we file these reports electronically with, or furnish them to, the Securities and Exchange Commission ("SEC"). Except as otherwise stated in these reports, the information contained on our website or available by hyperlink from our website is not incorporated into this Annual Report on Form 10-K or other documents we file with, or furnish to, the SEC.

Our investor relations department can be contacted via email at ir@lifeclips.com or at our principal executive office located at 18851 NE 29th Ave., Suite 700 PMB# 348, Aventura, FL 33180. Our telephone number is (800)-292-8991.

ITEM 1A. RISK FACTORS

Not required for a Smaller Reporting Company.

ITEM 1B. Unresolved Staff Comments.

None.

ITEM 2. PROPERTIES.

The Company's operations are currently being conducted out of the Company's offices located at 18851 NE 29th Ave., Suite 700 PMB# 348, Aventura, FL 33180. The Company's office space is being rented for a price of \$135.00 per month. The Company considers the current principal office space to be adequate and will reassess its needs based upon the future growth of the Company.

ITEM 3. LEGAL PROCEEDINGS.

On January 11, 2017, the Company received a default notice related to a \$500,000 promissory note (the "Butterfly Acquisition Note") issued to the sellers of Butterfly Energy, Ltd. ("Butterfly") as partial consideration for the Company's July 11, 2016 acquisition of Butterfly. The Butterfly Acquisition Note requires the Company to make a payment of \$250,000 on October 6, 2016 and \$250,000 on February 13, 2017. The default letter states that the Company failed to pay the \$250,000 payment due on October 6, 2016, which began to accrue interest of 11% from October 6, 2016. In addition, the default notice states that the Company owes \$20,000 in aggregate to two of the Butterfly shareholders related to consulting fees associated with the Butterfly acquisition. Finally, the default notice states that a payment of \$250,000, as well as an additional payment of \$20,000 must be paid by January 23, 2017. The Company filed a claim against the sellers of Butterfly with the London Court of International Arbitration (LCIA Arbitration No: 173692) and on September 7, 2017 the parties entered into a Stipulation for Stay of Arbitration in the matter as they seek to negotiate a settlement of their claim. Settlement discussions are ongoing.

Other than as set forth above, we are not a party to any material legal proceedings, nor is our property the subject of any material legal proceeding.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information

Our common stock is quoted on the OTC PINK Tier of the OTC Markets Group, under the symbol "LCLP".

The following table sets forth the range of high and low bid prices of our common stock as reported and summarized on the OTC PINK, as applicable, for the periods indicated. These prices are based on inter-dealer bid and asked prices, without markup, markdown, commissions, or adjustments and may not represent actual transactions.

Calendar Quarter	High	Low
Year Ended June 30, 2016		
2016 First Quarter	\$ 0.20	\$ 0.20
2016 Second Quarter	\$ 0.635	\$ 0.535
2016 Third Quarter	\$ 0.2024	\$ 0.17
2016 Fourth Quarter	\$ 0.0249	\$ 0.017
Year Ended June 30, 2017		
2017 First Quarter	\$ 0.009	\$ 0.0079
2017 Second Quarter	\$ 0.0024	\$ 0.0022
2017 Third Quarter	\$ 0.0006	\$ 0.0005
2017 Fourth Quarter	\$ 0.0003	\$ 0.0001

Holders

As of April 3, 2018, there were 66 record holders of our common stock, and there were 1,259,831,337 shares of our common stock outstanding.

Dividend Policy

We have not previously declared or paid any dividends on our common stock and do not anticipate declaring any dividends in the foreseeable future. The payment of dividends on our common stock is within the discretion of our board of directors. We intend to retain any earnings for use in our operations and the expansion of our business. Payment of dividends in the future will depend on our future earnings, future capital needs and our operating and financial condition, among other factors that our board of directors may deem relevant. We are not under any contractual restriction as to our present or future ability to pay dividends.

Recent Sales of Unregistered Securities

On July 21, 2016, the Company entered into a 10% Convertible Promissory Note with Long Side Ventures LLC, an unaffiliated third party. The note was in a principal amount of \$75,000, and is convertible at a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On September 22, 2016, the Company entered into a 10% Convertible Promissory Note with St. George, an unaffiliated third party. The note has a maturity date of April 7, 2017 and bears interest at 10% per annum. The note was in a principal amount of \$225,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On October 18, 2016, the Company entered into a 10% Convertible Promissory Note with JSJ, an unaffiliated third party. The note was in a principal amount of \$150,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On January 27, 2017, the Company entered into a 10% Convertible Promissory Note with LSV, an unaffiliated third party. The note was in a principal amount of \$5,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On January 27, 2017, the Company entered into a 10% Convertible Promissory Note with Summit, an unaffiliated third party. The note was in a principal amount of \$5,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On February 2, 2017, the Company entered into a 10% Convertible Promissory Note with Taconic, an unaffiliated third party. The note was in a principal amount of \$5,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On February 10, 2017, the Company entered into a 10% Convertible Promissory Note with LSV, an unaffiliated third party. The note was in a principal amount of \$11,666, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On February 10, 2017, the Company entered into a 10% Convertible Promissory Note with Summit, an unaffiliated third party. The note was in a principal amount of \$11,668, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On February 14, 2017, the Company entered into a 10% Convertible Promissory Note with Taconic, an unaffiliated third party. The note was in a principal amount of \$11,700, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On February 17, 2017, the Company entered into a 10% Convertible Promissory Note with Edgestone, an unaffiliated third party. The note was in a principal amount of \$50,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On February 23, 2017, the Company entered into a 10% Convertible Promissory Note with Forest, an unaffiliated third party. The note was in a principal amount of \$50,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On March 14, 2017 the Company issued a promissory note for services to Atlanta Capital Partners, an unaffiliated third party, in an amount of \$50,000. The note has a maturity date of March 14, 2018 and bears interest at 10% per annum.

On March 15, 2017, the Company entered into a 10% Convertible Promissory Note with Edgestone, an unaffiliated third party. The note was in a principal amount of \$50,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On March 17, 2017, the Company entered into a 10% Convertible Promissory Note with Forest, an unaffiliated third party. The note was in a principal amount of \$50,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On March 28, 2017, the Company entered into a 10% Convertible Promissory Note with Forest, an unaffiliated third party. The note was in a principal amount of \$50,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On April 3, 2017, the Company entered into a 10% Convertible Promissory Note with Edgestone, an unaffiliated third party. The note was in a principal amount of \$50,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On May 1, 2017, the Company entered into a 10% Convertible Promissory Note with Edgestone, an unaffiliated third party. The note was in a principal amount of \$50,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

On May 17 2017, the Company issued 1,000,000 shares of the Series A Preferred Stock to Victoria Rudman, the Company's Chief Financial Officer and a director, in return for services provided to the Company by Ms. Rudman and to ensure Ms. Rudman's continued service to the Company.

On June 1, 2017, the Company entered into a 10% Convertible Promissory Note with Edgestone, an unaffiliated third party. The note was in a principal amount of \$50,000, and is convertible a price equal to fifty percent (50%) of the lowest trading price during the twenty trading day period prior to the date of conversion.

These securities were issued in reliance on the exemption from registration provided by Sections 4(a)(2) and/or 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act").

ITEM 6. SELECTED FINANCIAL DATA

A smaller reporting company is not required to provide the information in this Item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the section entitled "Selected Financial Data" and our financial statements and related notes included elsewhere in this Information Statement. Some of the information contained in this discussion and analysis or set forth elsewhere in this Information Statement, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. See "Cautionary Note Regarding Forward-Looking Statements." Our actual results may differ materially from those described below. You should read the "Risk Factors" section of this Information Statement for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Life Clips, Inc. (the "Company") was incorporated in Wyoming on March 20, 2013 as Blue Sky Media Corporation and its principal business was developing, financing, producing and distributing motion pictures and related entertainment products. Following the Company's October 2, 2015 acquisition of Klear Kapture, Inc. ("Klear Kapture"), the Company continued Klear Kapture's business of developing a body camera and an auditable software solution suitable for use by law enforcement. The Company changed its name to Life Clips, Inc. on November 3, 2015 in order to better reflect its business operations at the time.

On July 11, 2016, the Company completed its previously announced acquisition (the "Acquisition") of all of the outstanding equity securities of Butterfly Energy Ltd. ("Butterfly"), an Israel-based corporation that develops and distributes a single-use, cordless battery under the brand name Mobeego for use with cellular phones and other mobile devices. Butterfly is now a wholly-owned subsidiary of the Company. The Acquisition was completed pursuant to a Stock Purchase Agreement, dated as of June 10, 2016 (the "Purchase Agreement"), among the Company, Butterfly and all of the shareholders of Butterfly, as amended.

Following the acquisition of Butterfly, we began to focus on developing three synergistic businesses:

- Expanding the Mobeego line of mobile accessories.
- Global Sourcing Services that includes product design, factory identification, negotiations, compliance qualification, and end-to-end logistics management to source products anywhere in the world.
- Sales and marketing services that provide an efficient path for companies to launch and market product into multi-channel retail and capture the maximum return on investment.

We plan to reengage in these initiatives as we seek potential new distributors, joint venture and strategic alliance partners and additional sources of financing to enable us to pursue marketing and future development and commercialization activities related to the Mobeego.

On April 2, 2017, the Company entered into a termination agreement with HP whereby they terminated the Trademark License Agreement. Pursuant to the terms of the termination agreement, the Company agreed to pay HP \$62,500.00 by July 15, 2017 and \$62,500.00 by October 15, 2017. As of April 2, 2017, the Company agreed to refrain from using any HP trademarks on any products and confirmed that the Company did not have any HP Branded Products in its inventory.

On June 22, 2017, the Company entered into a Stock Purchase Agreement (the "SPA") with Ascenda, a company limited by shares incorporated under the laws of Independent State of Samoa ("Ascenda"), Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Hong Kong ("Company HK"), and Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Independent State of Samoa ("Company Samoa", and collectively with Company HK, the "Targets" and each a "Target").

Effective as of November 24, 2017, Huey Long, the Company's Chief Executive Officer and a member of its board of directors, resigned his position as an officer and director of the Company as previously disclosed by the Company. Further, on November 27, 2017, Seller, Company HK, Company Samoa and Donald Ruan entered into a Rescission and Mutual Release Agreement (the "Rescission Agreement") pursuant to which the parties thereto agreed to rescind, *ab initio*, the SPA. As a result of the Rescission Agreement, the acquisition of the Targets is deemed not to have occurred, and the note issued by the Company as partial consideration for the acquisition was terminated and rescinded *ab initio*, and will be of no further force or effect. As a result of these events, and the Company's efforts to secure additional financing and additional partners to expand sales of its Mobeego product line, the Company is no longer seeking to launch its planned global sourcing business with Textiss USA, Misaki Corporation and Axperrt Company Limited as previously disclosed.

How We Generate Revenue

We expect to recognize revenues in accordance with the guidelines of the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 104 "Revenue Recognition".

Under SAB 104, four conditions must be met before revenue can be recognized: (i) there is persuasive evidence that an arrangement exists, (ii) delivery has occurred or service has been rendered, (iii) the price is fixed or determinable, and (iv) collection is reasonably assured.

General and administrative expenses consisted of professional service fees, and other general and administrative overhead costs. Expenses are recognized when incurred.

Depending on the extent of our future growth, we may experience significant strain on our management, personnel, and information systems. We will need to implement and improve operational, financial, and management information systems. In addition, we are implementing new information systems that will provide better record-keeping, customer service and billing. However, there can be no assurance that our management resources or information systems will be sufficient to manage any future growth in our business, and the failure to do so could have a material adverse effect on our business, results of operations and financial condition.

Results of Operations

For the Years ended June 30, 2017 and June 30, 2016

The Company generated \$3,064 in revenue for the year ended June 30, 2017, which compares with revenue of \$534 for the year ended June 30, 2016. Our revenues increased during the year ended June 30, 2017 due to an increase in the sales of our products, which was limited to only bulk sale.

Cost of Goods Sold for the year ended June 30, 2017 were \$109,289, which compares with Cost of Goods Sold of \$71,903 for the year ended June 30, 2016. The increase in our cost of goods sold was related to expenses for the development of our products.

Operating expenses, which consisted of professional fees, licensing fees, management fees, payroll expenses, finance costs, and general and administrative expenses, for the year ended June 30, 2017, were \$1,492,703. This compares with operating expenses for the year ended June 30, 2016 of \$2,182,542. The decrease in operating expenses for the year ended June 30, 2017 is related to notable relating to consulting costs and software fees.

As a result of the foregoing, we had a net gain of \$4,579,151 for the year ended June 30, 2017. This compares with a net loss for the year ended June 30, 2016 of 19,713,550. The decrease in our net loss is primarily due to a net gain in derivatives of 14,834,604 compared to a net loss of 16,922,622 for the year ended June 30, 2017. This was also offset by a loss of 6,223,500 on the Acquisition of Batterfly Energy LTD and increased Amortization of Debt Discount.

In its audited financial statements as of June 30, 2017, the Company was issued an opinion by its auditors that raised substantial doubt about the ability to continue as a going concern based on the Company's current financial position. Our ability to achieve and maintain profitability and positive cash flow is dependent upon our ability to successfully develop and market our products and our ability to generate revenues.

Liquidity and Capital Resources

Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. As of June 30, 2017 we had cash or cash equivalents of \$91,672. As of June 30, 2016 we had cash or cash equivalents of \$469,233. As of June 30, 2017 our working capital deficit amounted to \$2,822,371 an increase of \$1,685,136 as compared to \$1,846,468 as of June 30, 2016. This increase is primarily a result of a decrease in cash and accounts receivable and an increase in total current liabilities.

Net cash used in operating activities was \$985,095 for the year ended June 30, 2017. This compares to net cash used in operating activities of \$895,989 for the year ended June 30, 2016. The increase of \$89,107 in our net cash used in operating activities for the year ended June 30, 2017 was primarily due to a changes in a net gain of 4,579,151 vs. a net loss of 19,713,550, coupled with significant swings in derivative liabilities offset by loss on Batterfly acquisition.

Cash flows used in investing activities was \$892,500 for the year ended June 30, 2017, and remained the same when compared to \$240,000 for the year ended June 30, 2016.

Cash flows provided by financing activities was \$1,500,034 for the year ended June 30, 2017, which compares to cash flows provided by financing activities of \$1,602,578 for the year ended June 30, 2016. The decrease in our cash flows provided by financing activities for the year ended June 30, 2017 was due to a decrease in proceeds from convertible notes.

We have no present agreements or commitments with respect to any material acquisitions of other businesses, products, product rights or technologies or any other material capital expenditures. However, we will continue to evaluate acquisitions of and/or investments in products, technologies, capital equipment or improvements or companies that complement our business and may make such acquisitions and/or investments in the future. Accordingly, we may need to obtain additional sources of capital in the future to finance any such acquisitions and/or investments. We may not be able to obtain such financing on commercially reasonable terms, if at all. Due to the ongoing global economic crisis, we believe it may be difficult to obtain additional financing if needed. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing, or cause substantial dilution for our stockholders, in the case of equity financing.

Stock Incentive Plan

On April 20, 2016, the Company approved the Life Clips, Inc. 2016 Stock and Incentive Plan ("the Plan"). The Plan provides for the granting of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock grants and units, performance units and awards, and cash. The Plan allows for an issuance of a maximum of 20,000,000 shares of common stock, with awards made at the discretion of the board of directors. No awards have been made to date.

Contractual Commitments

Employment Agreements

For the year ending June 30, 2017, the Company entered into several employment agreements with key officers, the following table summarizes the terms and related share grants:

Name	Position	Contract Start	Contract End	Resignation Date	Cash per month # of shares	Cash Paid out in 2017	Accrued in 2017 (unpaid)	1st Grant - On Effective Date
Huey Long	CEO	02/02/2017	02/02/2018	11/10/2017	\$ 25,000	\$ 125,000	-	3,750,000
William Singer	VP	03/01/2017	03/01/2018	Active	\$ 3,500	\$ 17,500	-	1,500,000
Scott Silverman	VP	06/21/2017	06/21/2018	09/25/2017	\$ 12,500	\$ 6,250	\$ 6,250	Resigned prior to Vesting date, therefore no shares issued.
Victoria Rudman*	CFO	01/16/2017*	06/30/2018	Active	\$ 5,000	\$ 30,000	*Agreement as of 7/1/17	1,875,000

*Ms. Rudman was appointed CFO on January 16, 2017 (Form 8-K filed on January 23, 2017). A formal agreement was not executed until June 30, 2017 at a cash rate of \$12,500 monthly.

Name	Position	Contract Start	Contract End	Resignation Date	Cash per month # of Shares	Cash Paid out in 2017	Accrued in 2017 (unpaid)	1st Grant - On Effective Date
Huey Long	CEO	02/02/2017	02/02/2018	11/10/2017	\$ 25,000	\$ 125,000	-	3,750,000
William Singer	VP	03/01/2017	03/01/2018	Active	\$ 3,500	\$ 17,500	-	1,500,000
Scott Silverman	VP	06/21/2017	06/21/2018	09/25/2017	\$ 12,500	\$ 6,250	\$ 6,250	Resigned prior to Vesting date, therefore no shares issued.
Victoria Rudman*	CFO	01/16/2017*	06/30/2018	Active	\$ 5,000	\$ 30,000	*Agreement as of 7/1/17	1,875,000

Material Agreements

On July 11, 2016, the Company completed its previously announced acquisition (the “Acquisition”) of all of the outstanding equity securities of Butterfly Energy Ltd. (“Butterfly”), an Israel-based corporation that develops and distributes a single-use, cordless battery under the brand name Mobeego for use with cellular phones and other mobile devices. Butterfly is now a wholly-owned subsidiary of the Company. The Acquisition was completed pursuant to a Stock Purchase Agreement, dated as of June 10, 2016 (the “Purchase Agreement”), among the Company, Butterfly and all of the shareholders of Butterfly, as amended.

On June 22, 2017, the Company entered into a Stock Purchase Agreement (the “SPA”) with Ascenda Corporation, a company limited by shares incorporated under the laws of Independent State of Samoa (“Ascenda”), Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Hong Kong (“Company HK”), and Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Independent State of Samoa (“Company Samoa”, and collectively with Company HK, the “Targets” and each a “Target”).

Effective as of November 24, 2017, Huey Long, the Company’s Chief Executive Officer and a member of its board of directors, resigned his position as an officer and director of the Company as previously disclosed by the Company. Further, on November 27, 2017, Seller, Company HK, Company Samoa and Donald Ruan entered into a Rescission and Mutual Release Agreement (the “Rescission Agreement”) pursuant to which the parties thereto agreed to rescind, ab initio, the SPA. As a result of the Rescission Agreement, the acquisition of the Targets is deemed not to have occurred and will be of no further force or effect. As a result of these events, and the Company’s efforts to secure additional financing and additional partners to expand sales of its Mobeego product line, the Company is no longer seeking to launch its planned global sourcing business with Textiss USA, Misaki Corporation and Axpertt Company Limited as previously disclosed.

Financings

The following summary table is a listing of all outstanding convertible debt as of June 30, 2017:

Issue Date	Maturity Date	Interest rate	Interest rate (default)	Total Principal	Converted	Net Principal
10/02/2015	10/02/2017	3.85%	18.00%	\$ 617,578	\$ 352,454	\$ 265,124
12/07/2015	12/06/2016	10.00%	10.00%	250,000	150,000	100,000
02/04/2016	02/03/2017	5.00%	n/a	15,000	15,000	-
04/26/2016	04/26/2017	10.00%	18.00%	25,000	25,000	-
04/26/2016	04/26/2017	10.00%	18.00%	50,000	50,000	-
04/27/2016	04/27/2017	10.00%	18.00%	300,000	-	300,000
05/13/2016	05/13/2017	10.00%	22.00%	700,000	91,070	608,930
06/09/2016	06/09/2017	10.00%	18.00%	75,000	23,209	51,791
07/14/2016	10/14/2016	5.00%	n/a	30,000	-	30,000
07/21/2016	07/21/2017	10.00%	10.00%	75,000	-	75,000
08/23/2016	08/23/2017	10.00%	18.00%	15,000	15,000	-
09/22/2016	09/22/2017	10.00%	22.00%	225,000	125,350	99,650
10/18/2016	10/18/2017	10.00%	18.00%	150,000	104,634	45,366
01/27/2017	01/27/2018	10.00%	18.00%	5,000	-	5,000
01/27/2017	01/27/2018	10.00%	18.00%	5,000	-	5,000
02/02/2017	02/02/2018	10.00%	18.00%	5,000	-	5,000
02/10/2017	02/10/2018	10.00%	18.00%	11,666	-	11,666
02/10/2017	02/10/2018	10.00%	18.00%	11,668	-	11,668
02/14/2017	02/14/2018	10.00%	18.00%	11,700	-	11,700
02/17/2017	02/17/2018	10.00%	18.00%	50,000	-	50,000
02/23/2017	02/23/2018	10.00%	18.00%	50,000	-	50,000
03/14/2017	03/14/2018	10.00%	18.00%	50,000	-	50,000
03/15/2017	03/15/2018	10.00%	18.00%	50,000	-	50,000
03/17/2017	03/17/2018	10.00%	18.00%	50,000	-	50,000
03/28/2017	03/28/2018	10.00%	18.00%	50,000	-	50,000
04/03/2017	04/03/2018	10.00%	18.00%	50,000	-	50,000
05/01/2017	05/01/2018	10.00%	18.00%	50,000	-	50,000
06/01/2017	06/01/2018	10.00%	18.00%	50,000	-	50,000
Total Convertible Notes				\$ 3,027,612	\$ 951,717	\$ 2,075,895

Capital Expenditures

Other Capital Expenditures

We expect to incur research and development costs, as well as marketing expenses in connection with the expansion of our business.

Fiscal year end

Our fiscal year end is June 30.

Going Concern

Our independent auditors have added an explanatory paragraph to their audit opinion issued in connection with our financial statements. As reflected in the financial statements included elsewhere in this report, the Company has minimal revenues, net accumulated losses since inception and a shareholders' deficit of \$5,782,212 as of June 30, 2017.

We believe that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for us to continue as a going concern. While we believe in the viability of our strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. Our ability to continue as a going concern is dependent upon our ability to further implement our business plan and generate revenues.

The financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern.

Future Financings

We will require additional financing to fund our planned operations. We currently do not have committed sources of additional financing and may not be able to obtain additional financing particularly, if the volatile conditions of the stock and financial markets, and more particularly the market for early development stage company stocks persist. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, if and when it is needed, we will be forced to further delay or further scale down some or all of our activities or perhaps even cease the operations of the business.

Since inception we have funded our operations primarily through equity and debt financings and we expect that we will continue to fund our operations through the equity and debt financing, either alone or through strategic alliances. If we are able to raise additional financing by issuing equity securities, our existing stockholders' ownership will be diluted. Obtaining commercial or other loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There is no assurance that we will be able to maintain operations at a level sufficient for an investor to obtain a return on his, her, or its investment in our common stock. Further, we may continue to be unprofitable.

Critical Accounting Policies

The Commission has defined a company's critical accounting policies as the ones that are most important to the portrayal of our financial condition and results of operations and which require us to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on this definition, we have identified the critical accounting policies and judgments addressed below. We also have other key accounting policies that are significant to understanding our results.

The following are deemed to be the most significant accounting policies affecting us.

Use of Estimates

The preparation of these financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of net sales and expenses during the reported periods. Actual results may differ from those estimates and such differences may be material to the financial statements. The more significant estimates and assumptions by management include among others: property and equipment, foreign currency transactions and translations, and common stock valuation. The current economic environment has increased the degree of uncertainty inherent in these estimates and assumptions.

Income Taxes

We account for income taxes under an asset and liability approach. This process involves calculating the temporary and permanent differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The temporary differences result in deferred tax assets and liabilities, which would be recorded on our balance sheets in accordance with ASC 740, which established financial accounting and reporting standards for the effect of income taxes. We must assess the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, we must establish a valuation allowance. Changes in our valuation allowance in a period are recorded through the income tax provision on the statement of operations.

From the date of our inception we adopted ASC 740-10-30. ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under ASC 740-10, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, ASC 740-10 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As a result of the implementation of ASC 740-10, we recognized no material adjustment in the liability for unrecognized income tax benefits.

Non-Cash Equity Transactions

Shares of equity instruments issued for non-cash consideration are recorded at the fair value of the consideration received based on the market value of services to be rendered, or at the value of the stock given, considered in reference to contemporaneous cash sale of stock.

Fair Value of Financial Instruments

We apply the provisions of accounting guidance, FASB Topic ASC 825 that requires all entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value, and defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. As of March 31, 2015 and June 30, 2015, the fair value of accounts payable approximated carrying value due to the short maturity of the instruments, quoted market prices or interest rates which fluctuate with market rates.

Recent Accounting Pronouncements

In January 2017, the FASB issued Accounting Standards Update No. 2017-01, Clarifying the Definition of a Business ("ASU 2017-01"). The standard clarifies the definition of a business by adding guidance to assist entities in evaluating whether transactions should be accounted for as acquisitions of assets or businesses. ASU 2017-01 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Under ASU 2017-01, to be considered a business, the assets in the transaction need to include an input and a substantive process that together significantly contribute to the ability to create outputs. Prior to the adoption of the new guidance, an acquisition or disposition would be considered a business if there were inputs, as well as processes that when applied to those inputs had the ability to create outputs. Early adoption is permitted for certain transactions. Adoption of ASU 2017-01 may have a material impact on our consolidated financial statements if we enter into future business combinations.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04, Simplifying the Test for Goodwill Impairment ("ASU 2017-04"). ASU 2017-04 simplifies the accounting for goodwill impairment by removing Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. ASU 2017-04 is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019, and should be applied on a prospective basis. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. We do not anticipate the adoption of ASU 2017-04 will have a material impact on our consolidated financial statements.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or are not expected to be significant to the Company's financial position, results of operations or cash flows.

The Company reviewed all recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC and they did not or are not believed by management to have a material impact on the Company's present or future financial statements

Off-Balance Sheet Arrangements

Under SEC regulations, we are required to disclose our off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, such as changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. As of June 30, 2017, we have no off-balance sheet arrangements.

Inflation

We do not believe that inflation has had a material effect on our results of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

A smaller reporting company is not required to provide the information in this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Life Clips, Inc.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
Life Clips, Inc.

We have audited the accompanying balance sheets of Life Clips, Inc. (the "Company") as of June 30, 2017 and 2016, and the related statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the two years in period end June 30, 2017. Life Clips, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2017 and 2016, and the results of its operations, changes in stockholders' (deficit) and cash flows for the years ended June 30, 2017 and 2016 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has a net loss and negative cash flows from operations, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ L&L CPAS, PA
L&L CPAS, PA
Certified Public Accountants
Cornelius, North Carolina
The United States of America
April 3, 2018

Life Clips, Inc.
BALANCE SHEETS

	<u>June 30, 2017</u> <u>(Audited)</u>	<u>June 30, 2016</u> <u>(Audited)</u>
ASSETS		
Current assets		
Cash	\$ 91,672	\$ 469,233
Total current assets	\$ 91,672	\$ 469,233
Other Current Assets		
Accounts Receivable	3,064	-
Deposit	-	240,000
Total other current assets	\$ 3,064	\$ 240,000
Fixed Assets		
Total Fixed Assets	-	-
Total assets	<u>\$ 94,736</u>	<u>\$ 709,233</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts Payable	\$ 358,226	\$ 162,759
Accrued Expense and Interest Payable	250,262	48,476
Customer Deposits	84,538	-
Convertible Note Payable (net of discount of \$ 407,905 and \$681,047, respectively)	1,637,990	108,953
Note Payable - Butterfly & NUWA	530,000	-
Liquidated Damages Payable	37,316	-
Payroll Tax Liabilities	18,776	8,195
Derivative Liabilities	-	1,518,085
Total Current Liabilities	<u>2,917,107</u>	<u>1,846,468</u>
Long Term Liabilities		
Derivative Liability - Convertible Notes Payable	2,959,841	18,625,104
Convertible Notes Payable (Net of debt discount of \$-0- and \$908,466, respectively.)	-	334,112
Total Long Term Liabilities	<u>2,959,841</u>	<u>18,959,216</u>
Total Liabilities	5,876,948	20,805,684
Shareholders' deficit		
Preferred stock, (\$0.001 par value; 20,000,000 shares authorized, on 5/8/17 1,000,000 shares were issued and outstanding).	1,000	-
Common stock, (\$0.001 par value; 8,000,000,000 shares authorized, 187,866,264 (plus 11,004,166 reserved for employee vesting) and 53,332,576 shares issued and outstanding as of June 30, 2017 and June 30, 2016, respectively).	187,867	53,333
Shares to be issued/returned	6,732	-
Additional paid in capital	9,897,488	304,666
Accumulated deficit	(15,875,299)	(20,454,450)
Total shareholders' deficit	<u>(5,782,212)</u>	<u>(20,096,451)</u>
Total liabilities and shareholders' deficit	<u>\$ 94,736</u>	<u>\$ 709,233</u>

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

LIFE CLIPS, INC.
STATEMENTS OF OPERATIONS

For the years ended June 30, 2017 and 2016

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
	(Audited)	(Audited)
Revenues		
Revenues	\$ 3,064	\$ 534
Cost of goods sold	109,289	71,903
Gross profit	<u>(106,225)</u>	<u>(71,369)</u>
Operating costs:		
Licensing Fee	262,000	-
Finance Costs	51,000	33,935
Payroll Expense	160,996	184,201
Product Development Expense	4,191	49,599
Professional Fees	620,340	478,537
Consulting Fees	15,000	670,317
Management Fees	188,000	-
Marketing Expense	14,329	10,364
Software Fees and Support	2,995	646,980
Travel, Meals and Entertainment	31,544	37,987
Preferred shares issued	1,000	-
Employee Stock Vesting in Treasury	41,600	-
Other general and administrative expenses	99,708	70,622
Total operating costs	<u>1,492,703</u>	<u>2,182,542</u>
Gain/(Loss) from operations	<u>(1,598,927)</u>	<u>(2,253,911)</u>
Other income (expense)		
Loss on Debt Settlement	(72,916)	-
Interest expense	(213,582)	(49,615)
Amortization of Debt Discount	(2,146,527)	(487,402)
Gain/(Loss) on Derivative	14,834,604	(16,922,622)
Loss on Acquisition of Butterfly Energy LTD	(6,223,500)	-
Total Other Income (Expense)	<u>6,178,078</u>	<u>(17,459,639)</u>
Gain/(Loss) before income taxes	<u>4,579,151</u>	<u>(19,713,550)</u>
Provision for income taxes	-	-
Net gain/(loss)	<u>\$ 4,579,151</u>	<u>\$ (19,713,550)</u>
Basic earnings per share	<u>0.05</u>	<u>(0.40)</u>
Weighted average number of common shares outstanding	<u>90,001,941</u>	<u>49,435,410</u>

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

LIFE CLIPS, INC.
STATEMENT OF STOCKHOLDERS' (DEFICIT)

For the years ended June 30, 2017 and 2016

	Preferred Stock		Common Stock		Shares to be Issued and Returned	Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' (Deficit)
	Shares	Amount	Shares	Amount				
Balances as of June 30, 2015			38,037,120	\$ 38,037		\$ 665,283	\$ (740,900)	\$ (37,580)
Reorganization due to recapitalization			119,366,500	119,367		(129,838)		(10,471)
Shares cancelled in reverse re-capitalization			(107,261,000)	(107,261)		(237,739)		(345,000)
Shares issued for consulting service			3,190,000	3,190		6,960		10,150
Net Loss for the year ended June 30, 2016							(19,713,550)	(19,713,550)
Balances June 30, 2016			53,332,620	53,333	-	304,666	(20,454,450)	(20,096,451)
Issuance of Preferred Stock for services	1,000,000	1,000						1,000
Shares issued for conversions and true-ups			141,650,914	141,651	13,482	855,787		1,010,920
Shares issued for Butterfly Acquisition			10,000,000	10,000		5,081,000		5,091,000
Shares issued for Ascenda Acquisition (Cancelled. Returned after 6/30/17)			10,000,000	10,000	(10,000)	-		-
Shares issued for consulting services			500,000	500		265,500		266,000
Shares cancelled and returned to treasury			(27,617,226)	(27,617)		27,617		-
Shares in treasury for employee stock vesting -To be issued					3,250	38,350		41,600
Reclassify to APIC						3,324,568		3,324,568
Net Income for the year ended June 30, 2017							4,579,151	4,579,151
Balances as of June 30, 2017	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>187,866,308</u>	<u>\$ 187,867</u>	<u>6,732</u>	<u>\$ 9,897,488</u>	<u>\$ (15,875,299)</u>	<u>\$ (5,782,212)</u>

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

LIFE CLIPS, INC.
STATEMENTS OF CASH FLOWS

For the years ended June 30, 2017 and 2016

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
	(Audited)	(Audited)
Cash flows from operating activities:		
Net gain/(loss)	\$ 4,579,151	\$ (19,713,550)
Common Stock Compensation	307,600	1,199,933
Loss on Debt Settlement	72,916	-
Changes in derivative liabilities	(14,834,604)	16,922,622
Amortization of Debt discount	2,146,527	487,402
Loss on Butterfly acquisition	6,223,500	-
Adjustments to reconcile Net Income to Net Cash provided by operations:		
Gain/(Loss) on Derivative	-	-
Other Current Assets	-	-
Deposit		
Due from related party	-	2,713
Accounts Receivable	(3,064)	
Accounts Payable	188,658	162,759
Accrued expense and interest payable	201,786	33,938
Deferred Revenue	84,538	-
Liquidated Damages Payable	37,316	-
Payroll tax liabilities	10,581	8,195
Net cash (used in) operating activities	\$ (985,095)	\$ (895,988)
Cash flows from investing activities:		
Investment - Butterfly Energy Ltd	(892,500)	(240,000)
Investment - Ascenda	-	-
Net cash (used in) provided by investing activities	\$ (892,500)	\$ (240,000)
Cash flows from financing activities:		
Repurchase of common stock	-	(345,000)
Repayment of note payable-related party	(10,000)	(85,000)
Proceed from convertible notes payables	1,510,034	2,032,578
Net cash provided by financing activities	\$ 1,500,034	\$ 1,602,578
Net cash increased in cash	(377,561)	466,589
Cash at beginning of period	469,233	2,644
Cash at end of period	\$ 91,672	\$ 469,233
Supplemental Disclosures of cash flow information:		
Cash paid for:		
Interest	\$ -	\$ 11,791
Income taxes	\$ -	\$ -
NON-CASH TRANSACTIONS AFFECTING OPERATING, INVESTING AND FINANCING ACTIVITIES		
Value of common shares issued as payment of debt	\$ -	\$ -
Value of common shares issued for services	\$ 35,400	\$ -
Value of common shares returned to treasury	\$ 30,617	\$ -
Value of common shares issued for acquisition of Butterfly Energy LTD	\$ 5,091,000	\$ -
Issuance of Common Stock for acquisition of Butterfly Energy LTD	9,500,000	-
Issuance of Common Stock for convertible notes payable	141,650,914	-
Issuance of Common Stock for services	3,250,000	-
Notes payable	\$ 1,224,925	\$ -

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

Life Clips, Inc.
Footnotes to Financial Statements June 30, 2017

NOTE 1. ORGANIZATION AND OPERATIONS

Life Clips, Inc. (the “Company”) was incorporated in Wyoming on March 20, 2013 as Blue Sky Media Corporation and its principal business was developing, financing, producing and distributing motion pictures and related entertainment products. Following the Company’s October 2, 2015 acquisition of Klear Kapture, Inc. (“Klear Kapture”), the Company continued Klear Kapture’s business of developing a body camera and an auditable software solution suitable for use by law enforcement. The Company changed its name to Life Clips, Inc. on November 3, 2015 in order to better reflect its business operations at the time.

On July 11, 2016, the Company completed its previously announced acquisition (the “Acquisition”) of all of the outstanding equity securities of Butterfly Energy Ltd. (“Butterfly”), an Israel-based corporation that develops and distributes a single-use, cordless battery under the brand name Mobeego for use with cellular phones and other mobile devices. Butterfly is now a wholly-owned subsidiary of the Company. The Acquisition was completed pursuant to a Stock Purchase Agreement, dated as of June 10, 2016 (the “Purchase Agreement”), among the Company, Butterfly and all of the shareholders of Butterfly, as amended.

Our Company is focused on developing three synergistic businesses:

- Expanding the Mobeego line of mobile accessories.
- Global Sourcing Services that includes product design, factory identification, negotiations, compliance qualification, and end-to-end logistics management to source products anywhere in the world.
- Sales and marketing services that provide an efficient path for companies to launch and market product into multi-channel retail and capture the maximum return on investment.

On June 22, 2017, the Company entered into a Stock Purchase Agreement (the “SPA”) with Ascenda, a company limited by shares incorporated under the laws of Independent State of Samoa (“Seller”), Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Hong Kong (“Company HK”), and Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Independent State of Samoa (“Company Samoa”, and collectively with Company HK, the “Targets” and each a “Target”). On November 27, 2017 the SPA was rescinded, ab initio, and is of no further force or effect. See Note 14.

The following is a description of recent transactions entered into by the Company and its key distributors:

On April 7, 2017, the Company entered into a five-year authorized sales representative agreement to provide global sales and marketing to Textiss USA (Textiss), a California Corporation, for its Crazyboxer line of men’s underwear (the “Products”). Textiss is a global leader in the textile and garment industry with a specialization in the design, production, and distribution of underwear. Over the five-year contract, the Company will carry out worldwide multi-channel retail sales and marketing for Textiss for the following accounts: Costco, HSN, Sam’s Club, Wal-Mart, Target, Nordstrom’s Rack, Amazon.com, Walmart.com, Jet.com, Boxed.com, Costco.com, Samsclub.com, Target.com, Zappos.com and Nordstrom.com. With respect to each signed contract with a customer for the sale of the Products, the Company will be entitled to the following commission:

1. For retail stores (brick and mortar) the commission will be 5% of Net Revenue (as defined below) received from the retailer;
2. For online stores managed by the Company, the commission rate will be 10% of Gross Revenue, minus returns.
3. “Net Revenue” shall be (i) gross revenue paid to the Company from the customer, less (ii) the cost of goods sold, any market development funds (as agreed to by the Company) and product returns. The Company shall receive a monthly accounting of all sales activity and commissions, and commissions shall be payable within the (10) days of the end of each month for all sales in the preceding proceeding month.

The Company and Textiss will have the option to extend the initial five-year term for additional periods of one-year each at the end of the Initial Term or any Renewal Term.

On April 12, 2017, the Company’s Mobeego battery products became available on Amazon.com. Mobeego™ is an affordable, single-use, cordless battery that provides an instant shot of power for your phone, so you can stay mobile whenever and wherever. After use, the battery can be discarded or recycled. Mobeego batteries are great for emergency preparedness, since they can be stored up to 10 years without any power leaking. Each package contains a battery and a reusable smartphone adaptor.

The Mobeego products available from the Company on Amazon.com include: the Mobeego Single Shot Starter Kit that includes an iPhone or USB reusable adaptor and single battery providing up to 4 hours of additional power. Additional batteries are also available in 3 packs and 6 packs. The Mobeego products are eligible for free shipping with an Amazon Prime membership.

On April 19, 2017, the Company entered into a distribution agreement with Misaki Corporation (“Misaki”), organized under the laws of Tokyo, Japan. It is a royalty free, non-exclusive one-year contract with a distributor to sell Mobeego products in Japan. The contract granted Misaki the non-transferable right to promote, market and resell Mobeego products and will be automatically renewed for one additional year, provided Misaki has performed all of its commitments and obligations. The terms of the contract require Misaki to pay 50% of each accepted order in advance and 50% on delivery.

On May 3, 2017, the Company entered into a distribution agreement with Axpert Company Limited (“Axpert”), organized under the laws of Republic of China. It is a royalty free, non-exclusive one-year contract with a distributor to sell Mobeego products throughout Asia, New Zealand, Singapore, the Philippines, India, Indonesia, Cambodia and Vietnam. The contract grants Axpert the non-transferable right to promote, market and resell Mobeego products and will be automatically renewed for one additional year, provided Axpert has performed all of its commitments and obligations. The terms of the contract require Axpert to pay 50% of each accepted order in advance and 50% on delivery.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of 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 these estimates.

Cash and cash equivalents – For financial statement presentation purposes, the Company considers all short term investments with a maturity date of three months or less to be cash equivalents.

Income Tax – The Company accounts for income taxes under ASC 740 “Income Taxes” which codified SFAS 109, “Accounting for Income Taxes.” under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. 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. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

Basic and Diluted Net Income (Loss) Per Share – The Company computes net income (loss) per share in accordance with ASC 260 “Earnings Per Share” which codified SFAS No. 128. “Earnings per Share.” ASC 260 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares of common stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

Intangible Asset – The Company is no longer developing software. The development cost through June 30, 2016 has totaled \$70,450. The software has an infinite useful life and will be tested annually for impairment.

Fair Value of Financial Instruments

The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:

- Level 1 – Observable inputs that reflect quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Unobservable inputs reflecting the Company’s assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The carrying amounts of the Company's financial assets and liabilities, such as cash, prepaid expenses, other current assets, accounts payable & accrued expenses, certain notes payable and notes payable – related party, approximate their fair values because of the short maturity of these instruments.

The Company accounts for its derivative liabilities, at fair value, on a recurring basis under level 3. See Note 8.

Embedded Conversion Features

The Company evaluates embedded conversion features within convertible debt under ASC 815 "Derivatives and Hedging" to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings. If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20 "Debt with Conversion and Other Options" for consideration of any beneficial conversion feature.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to income.

For option-based simple derivative financial instruments, the Company uses the Black-Scholes option-pricing model to value the derivative instruments at inception and subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

Debt Issue Costs and Debt Discount

The Company may record debt issue costs and/or debt discounts in connection with raising funds through the issuance of debt. These costs may be paid in the form of cash, or equity (such as warrants). These costs are amortized to interest expense over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

Stock based compensation – ASC 718 "Compensation Stock Compensation" codified SFAS No. 123 prescribes accounting and reporting standards for all stock based compensation plans payments award to employees, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights, which may be classified as either equity or liabilities. The Company should determine if a present obligation to settle the share based payment transaction in cash or other assets exists. A present obligation to settle in cash or other assets exists if: (a) the option to settle by issuing equity instruments lacks commercial substance or (b) the present obligation is implied because of an entity's past practices or stated policies. If a present obligation exists, the transaction should be recognized as a liability; otherwise, the transaction should be recognized as equity.

The Company accounts for stock based compensation issued to nonemployees and consultants in accordance with the provisions of ASC 50550 "Equity Based Payments to NonEmployees" which codified SFAS 123 and the Emerging Issues Task Force consensus in Issue No. 9618, "Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring or in Conjunction with Selling, Goods or Services". Measurement of share based payment transactions with nonemployees shall be based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share based payment transaction should be determined at the earlier of performance commitment date or performance completion date.

Recognition of Revenues – The Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition in Financial Statements". This statement established that revenue can be recognized when persuasive evidence of an arrangement exists, the services have been delivered, all significant contractual obligations have been satisfied, the fee is fixed or determinable and collection is reasonably assured.

Subsequent Events – The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements are issued.

Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

The Company reviewed all recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC and they did not or are not believed by management to have a material impact on the Company's present or future financial statements.

NOTE 3. UNCERTAINTY OF ABILITY TO CONTINUE AS A GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying financial statements, the Company has minimal revenues, net accumulated losses since inception and a shareholders' deficit of \$5,782,212 as of June 30, 2017. These factors raise doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on management funding operating costs and the successful production and sales release of the Life Clips camera. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4. RELATED PARTY TRANSACTIONS

At June 30, 2017 and June 30, 2016, a major shareholder owed the Company \$-0- and \$-0-, respectively.

The compensation paid to related parties for the ending June 30, 2017 is outlined in the following table:

Name	Position	Contract Start	Contract End	Resignation Date	Cash per month	Cash Paid out in 2017	Accrued in 2017 (unpaid)	1st Grant - On Effective Date # of Shares
Huey Long	CEO	02/02/2017	02/02/2018	11/10/2017	\$ 25,000	\$ 125,000	-	3,750,000
William Singer	Director	03/01/2017	03/01/2018	Active	\$ 3,500	\$ 17,500	-	1,500,000
Victoria Rudman*	CFO	01/16/2017*	06/30/2018	Active	\$ 5,000	\$ 30,000	*Agreement as of 7/1/17	1,875,000

*Ms. Rudman was appointed CFO on January 16, 2017 (Form 8-K filed on January 23, 2017). A formal agreement was not executed until June 30, 2017 at a cash rate of \$12,500 monthly.

NOTE 5. INTANGIBLE ASSETS

The Company is no longer in the business of developing software. The development cost for the years ended June 30, 2017 and 2016 are \$0 and \$646,980, respectively. The software had been written off during the annual impairment test.

	June 30, 2016	June 30, 2016
Software	\$ —	\$ 646,980
Less: Impairment Charges	—	(646,980)
Less: Accumulated Amortization	—	—
Software - net	\$ -0-	\$ -0-

NOTE 6. NOTES PAYABLE

At June 30, 2017 and June 30, 2016 the Company had notes payable in the amount of \$530,000 and \$0, respectively.

NOTE 7. CONVERTIBLE DEBT AND WARRANTS

The Company has recorded derivative liabilities associated with convertible debt instruments and warrants, as more fully discussed at Note 8.

(A) Convertible Notes and Warrants

On October 2, 2015, the Company completed an offering of its 3.85% Convertible Promissory Notes (the "3.85% Notes") in the aggregate principal amount of \$617,578 and on December 7, 2015 the Company completed an offering of its 10% Convertible Promissory Notes (the "10% Notes") in the aggregate principal amount of \$250,000 (the "10% Notes", and together with the 3.85% Notes, each a "Note" and collectively, the "Notes"), as applicable, with certain "accredited investors" (the "Investors"), as defined under Regulation D, Rule 501 of the Securities Act. The entire principal amount of the Notes remaining outstanding at December 31, 2016 was \$417,588, such amount being exclusive of securities converted into the Notes separate from the offering of the Notes. Pursuant to the offering of the Notes, the Company received \$617,578 and \$250,000 in net proceeds on October 2, 2015 and December 7, 2015, respectively.

In addition to the terms customarily included in such instruments, the Notes began accruing interest on the date that each Investor submitted the principal balance of such Investor's Note, with the interest thereon becoming due and payable on the two-year anniversary of said date. Upon a default of the Notes, the interest rate will increase to 18%. The principal balance of each Note and all unpaid interest will become due and payable twenty-four (24) months after the date of issuance. The Notes may be prepaid with or without a penalty depending on the date of the prepayment. The principal and interest under the 3.85% Notes are converted at \$0.026. The principal and interest under the 10% Notes are convertible into shares of the Company's common stock at 75% times the Volume Weighted Average Price for a 5 days period prior to the conversion date as quoted on the OTC market and pursuant to the terms of a Security Purchase Agreement, dated as of October 2, 2015 and December 7, 2015, as applicable, by and between the Company and each Investor.

In connection with the Notes Offering, the Company entered into Registration Rights Agreements, each dated as of October 2, 2015 and December 7, 2015 and each by and between us and each of the Investors.

The company entered into convertible notes with eleven third party accredited investors from December 2015 to December 2016. In addition to the terms customarily included in such instruments, the Notes began accruing interest on the date that each Investor submitted the principal balance of such Investor's Note, with the interest thereon becoming due and payable on terms specified in said date (see below). Interest rates range from 5% to 10% and are due at various dates from August 2016 to March 2018. These notes are convertible at any time by the investor, prior to the note principal and interest being repaid at rates ranging from \$0.006 to \$0.033 per share, subject to change due to a ratchet feature contained in most of the notes.

<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Conversions</u>	<u>Purchased (sold)</u>	<u>Balance at June 30, 2017</u>	<u>Interest Expense</u>	<u>Interest converted</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Conversion Price</u>
25,000	-	(25,000)	-	-	1,274	(1,274)	05/30/17	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
50,000	-	(50,000)	-	-	3,041	(3,041)	10/02/17	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
164,360	-	(164,360)	-	-	7,433	(7,433)	10/02/17	3.85%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
15,000	-	(15,000)	-	-	813	(813)	02/23/17	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
151,073	-	-	-	151,073	10,087	-	10/02/17	3.85%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
151,073	-	(81,494)	-	69,578	7,952	-	10/02/17	3.85%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
151,073	-	(106,600)	-	44,473	7,854	-	10/02/17	3.85%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
250,000	-	(150,000)	-	100,000	32,792	-	12/07/16	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
300,000	-	-	-	300,000	38,992	-	04/28/17	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
700,000	-	(91,070)	-	608,930	80,187	-	05/14/17	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
75,000	-	(23,209)	-	51,791	25,833	-	06/10/17	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	75,000	-	-	75,000	7,007	-	07/22/17	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	225,000	(125,350)	-	99,650	15,474	-	09/23/17	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	150,000	(94,634)	(10,000)	45,366	8,993	-	10/19/17	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	5,000	-	-	5,000	210	-	01/28/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date

-	5,000	-	-	5,000	210	-	01/28/18	10.00%	period prior to the conversion date
-	5,000	-	-	5,000	201	-	02/03/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	11,666	-	-	11,666	444	-	02/11/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	11,668	-	-	11,668	444	-	02/11/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	11,700	-	-	11,700	433	-	02/15/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	50,000	-	-	50,000	1,808	-	02/18/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	50,000	-	-	50,000	1,726	-	02/24/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	50,000	-	-	50,000	1,466	-	03/15/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	50,000	-	-	50,000	1,452	-	03/16/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	50,000	-	-	50,000	1,425	-	03/18/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	50,000	-	-	50,000	1,274	-	03/29/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	50,000	-	-	50,000	1,205	-	04/04/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	50,000	-	-	50,000	822	-	05/02/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	50,000	-	-	50,000	397	-	06/02/18	10.00%	50% of the average of the lowest three trading prices during the 20 trading day period prior to the conversion date
-	30,000	-	-	30,000	1,442	-	10/14/16	5.00%	Non-Convertible
<u>2,032,578</u>	<u>980,034</u>	<u>(926,717)</u>	<u>(10,000)</u>	<u>2,075,895</u>	<u>262,691</u>				<u>(12,561)</u>

The Company has determined that the conversion feature of the Notes represents an embedded derivative since the Notes are convertible into a variable number of shares upon conversion. Accordingly, the Notes are not considered to be conventional debt and the embedded conversion feature must be bifurcated from the debt host and accounted for as a derivative liability. See Note 8 for further discussion.

(B) Terms of Debt

The debt carries interest between 3.85% and 10%, and is due in October 2017 and March 2018.

All convertible debt in connection with the Notes Offering are convertible at \$0.026 and \$0.44/share (on June 30, 2016), however, the Notes include a “ratchet feature”, which allows for a lower offering price based on market prices.

(C) Future Commitments

At June 30, 2016, the Company has outstanding convertible debt of \$2,075,895 which is payable within the next eleven months.

The Company recorded the debt discount to the extent of the gross proceeds raised, and expensed immediately the remaining fair value of the derivative liability, as it exceeded the gross proceeds of the note.

The Company recorded debt discount of \$681,047 and \$2,076,912 for the year ended June 30, 2017 and 2016.

The amortization of debt discount amounted to \$2,146,527 and \$487,399 for the year ended June 30, 2017 and 2016, respectively.

The Convertible Notes Payable changes for the year ended June 30, 2017 are listed in the following table.

	June 30, 2017	June 30, 2016
Balance Prior Year (current and long term)	\$ 443,065	\$ 85,000
Proceeds	980,034	2,032,578
Repayments/Conversion	(951,725)	(85,000)
Less: gross Debt Discount recorded	(980,034)	(2,076,912)
Add: Amortization of Debt Discount	2,146,650	487,399
Less Current portion	(1,637,990)	(108,953)
Long-Term Convertible Debt	<u>\$ -</u>	<u>\$ 334,112</u>

NOTE 8. DERIVATIVE LIABILITIES

The Company identified conversion features embedded within convertible debt and warrants issued in the year ended June 30, 2017. The Company has determined that the features associated with the embedded conversion option, in the form a ratchet provision, should be accounted for at fair value, as a derivative liability, as the Company cannot determine if a sufficient number of shares would be available to settle all potential future conversion and warrant transactions.

The derivate liability changes for the year ended June 30, 217 are listed in the following table.

	Derivative Liabilities
DL as of 6/30/2016	<u>20,143,189</u>
Initial DL	2,533,938
Changes in DL	(16,392,718)
Reclassify to APIC	(3,324,568)
DL as of 6/30/2017	<u>2,959,841</u>

after 6/30/17)			10,000,000	10,000	(10,000)	-	-	-
Shares issued for consulting services			500,000	500		265,500		266,000
Shares cancelled and returned to treasury			(27,617,226)	(27,617)		27,617		-
Shares in treasury for employee stock vesting -To be issued					3,250	38,350		41,600
Recalissfy to APIC						3,324,568		77,818
Balances as of June 30, 2017	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>134,533,688</u>	<u>\$ 134,534</u>	<u>6,732</u>	<u>\$9,592,822</u>	<u>\$ -</u>	<u>\$ 6,488,338</u>

Warrants and Options

There are two warrants whose fair value at the balance sheet date is \$2,243.

The Company had issued four warrants dated from February to May 2016. Two of the warrants were related to consulting agreements and have been fully converted. The remaining two are related to convertible note holders. The details are:

Purpose of Warrant Issuance	Issue Date	Number Shares Common Stock	Warrant Exercise Price	Period Warrants Exercisable
Consulting Services	2/22/2016	2,600,000	\$ 0.001	2/22/2016 to 2/22/2019
Website design and Digital Locker app development	3/10/2016	1,916,500	\$ 0.001	3/10/2016 to 3/10/2019
Investor Incentive	4/27/2016	625,000	\$ 0.400	4/27/2016 to 3/30/2018
Investor Incentive	5/13/2016	350,000	\$ 0.400	5/13/2016 to 5/13/2019
Total		5,491,500		

NOTE 10. EMPLOYMENT AGREEMENTS

For the year ending June 30, 2017, the Company entered into several employment agreements with key officers, the following table summarizes the terms and related share grants:

Name	Position	Contract Start	Contract End	Resignation Date	Cash per month # of shares	Cash Paid out in 2017	Accrued in 2017 (unpaid)	1st Grant - On Effective Date
Huey Long	CEO	02/02/2017	02/02/2018	11/10/2017	\$ 25,000	\$ 125,000	-	3,750,000
William Singer	VP	03/01/2017	03/01/2018	Active	\$ 3,500	\$ 17,500	-	1,500,000
Scott Silverman	VP	06/21/2017	06/21/2018	09/25/2017	\$ 12,500	\$ 6,250	\$ 6,250	Resigned prior to Vesting date, therefore no shares issued.
Victoria Rudman*	CFO	01/16/2017*	06/30/2018	Active	\$ 5,000	\$ 30,000	*Agreement as of 7/1/17	1,875,000

*Ms. Rudman was appointed CFO on January 16, 2017 (Form 8-K filed on January 23, 2017). A formal agreement was not executed until June 30, 2017 at a cash rate of \$12,500 monthly.

Name	Position	Contract Start	Contract End	Resignation Date	Cash per month # of Shares	Cash Paid out in 2017	Accrued in 2017 (unpaid)	1st Grant - On Effective Date
Huey Long	CEO	02/02/2017	02/02/2018	11/10/2017	\$ 25,000	\$ 125,000	-	3,750,000
William Singer	VP	03/01/2017	03/01/2018	Active	\$ 3,500	\$ 17,500	-	1,500,000
Scott Silverman	VP	06/21/2017	06/21/2018	09/25/2017	\$ 12,500	\$ 6,250	\$ 6,250	Resigned prior to Vesting date, therefore no shares issued.
Victoria Rudman*	CFO	01/16/2017*	06/30/2018	Active	\$ 5,000	\$ 30,000	*Agreement as of 7/1/17	1,875,000

NOTE 11. MATERIAL AGREEMENTS

On July 11, 2016, the Company completed its previously announced acquisition (the “Acquisition”) of all of the outstanding equity securities of Butterfly Energy Ltd. (“Butterfly”), an Israel-based corporation that develops and distributes a single-use, cordless battery under the brand name Mobeego for use with cellular phones and other mobile devices. Butterfly is now a wholly-owned subsidiary of the Company. The Acquisition was completed pursuant to a Stock Purchase Agreement, dated as of June 10, 2016 (the “Purchase Agreement”), among the Company, Butterfly and all of the shareholders of Butterfly, as amended.

On June 22, 2017, the Company entered into a Stock Purchase Agreement (the “SPA”) with Ascenda Corporation, a company limited by shares incorporated under the laws of Independent State of Samoa (“Ascenda”), Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Hong Kong (“Company HK”), and Hong Kong Ascenda International Co., Limited, a company limited by shares incorporated under the laws of Independent State of Samoa (“Company Samoa”, and collectively with Company HK, the “Targets” and each a “Target”).

Effective as of November 24, 2017, Huey Long, the Company’s Chief Executive Officer and a member of its board of directors, resigned his position as an officer and director of the Company as previously disclosed by the Company. Further, on November 27, 2017, Seller, Company HK, Company Samoa and Donald Ruan entered into a Rescission and Mutual Release Agreement (the “Rescission Agreement”) pursuant to which the parties thereto agreed to rescind, ab initio, the SPA. As a result of the Rescission Agreement, the acquisition of the Targets is deemed not to have occurred and will be of no further force or effect. As a result of these events, and the Company’s efforts to secure additional financing and additional partners to expand sales of its Mobeego product line, the Company is no longer seeking to launch its planned global sourcing business with Textiss USA, Misaki Corporation and Axpertt Company Limited as previously disclosed.

NOTE 12. INCOME TAX PROVISION

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due. Deferred taxes relate to differences between the basis of assets and liabilities for financial and income tax reporting which will be either taxable or deductible when the assets or liabilities

are recovered or settled.

At June 30, 2016, the Company has a net operating loss carry-forward of approximately \$20,454,450 available to offset future taxable income expiring through 2035. Utilization of future net operating losses may be limited due to potential ownership changes under Section 382 of the Internal Revenue Code.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on consideration of these items, management has determined that enough uncertainty exists relative to the realization of the deferred income tax asset balances to warrant the application of a full valuation allowance as of June 30, 2016.

The effects of temporary differences that gave rise to significant portions of deferred tax assets at June 30, 2017 and June 30, 2016 are approximately as follows:

	June 30, 2017	June 30, 2016
Net operating loss carryforward	\$ 15,875,299	\$ 20,454,450
Gross Deferred Tax Assets	5,397,602	6,954,000
Less Valuation Allowance	(5,397,602)	(6,954,000)
Total Deferred Tax Assets – Net	-	-

There was no income tax expense for the years ended June 30, 2017 and 2016 due to the Company's net losses.

NOTE 13. SUBSEQUENT EVENTS

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The company will evaluate subsequent events through the date of the issuance of the financial statements.

Effective as of July 24, 2017, and as disclosed the Form 8-K filed by the Company on August 2, 2017, the Company amended its Articles of Incorporation to increase the number of authorized shares of common stock of the Company, par value \$0.001 per share (the "Common Stock") from 300,000,000 shares of Common Stock to 800,000,000 shares of Common Stock.

Effective as of August 7, 2017, the Company amended its Articles of Incorporation by amending the Certificate of Designation for the Series A Stock to increase the number of votes that each share of Series A Stock has to 400 votes.

On September 19, 2017, the Company entered into an 18% Convertible Promissory Note with Long Side Ventures LLC, an unaffiliated third party. The note was in a principal amount of \$30,000, and is convertible at a price equal to fifty percent (50%) of the lowest trading price during the five trading day period prior to the date of conversion. The note maturity date is August 30, 2018.

Effective as of September 26, 2017, the Company amended its Articles of Incorporation to increase the number of authorized shares of common stock of the Company, par value \$0.001 per share (the "Common Stock") from 800,000,000 shares of Common Stock to 5,000,000,000 shares of Common Stock.

Effective as of November 24, 2017, Huey Long, the Company's Chief Executive Officer and a member of its board of directors, resigned his position as an officer and director of the Company pursuant to a resignation letter dated November 10, 2017 as previously disclosed by the Company. The Company has accrued \$75,000 through November 24, 2017 to reflect unpaid amounts to Mr. Long provided for in the February 2, 2017 employment agreement it entered into with Mr. Long.

On November 27, 2017, Seller, Company HK, Company Samoa and Donald Ruan entered into a Rescission and Mutual Release Agreement (the "Rescission Agreement") pursuant to which the parties thereto agreed to rescind, ab initio, the Company's June 22, 2017 acquisition of Company HK and Company Samoa pursuant to the SPA described in Note 1. As a result of the Rescission Agreement, the Acquisition is deemed not to have occurred, and the Note issued by the Company as partial consideration for the acquisition was terminated and rescinded *ab initio*, and will be of no further force or effect. The 10,000,000 shares were cancelled and returned to the Company.

Pursuant to the terms of the Rescission Agreement, Mr. Ruan resigned from all positions he held as a director or officer of the Company and any of its subsidiaries. In addition, the Employment Agreement entered into between the Company and Mr. Ruan was terminated, and Mr. Ruan waived any rights to the 500,000 shares of common stock that were to be issued by the Company pursuant to the Employment Agreement.

On September 25, 2017, Huey Long, on behalf of the Company, without Board approval, entered into a Mutual Release Agreement and 12% Promissory Note with Scott Silverman. The note was in a principal amount of \$26,500 and matured on March 1, 2018. The Company is currently in negotiations with Mr. Silverman.

On November 16, 2017, the Company entered into an 18% Convertible Promissory Note with Long Side Ventures LLC, an unaffiliated third party. The note was in a principal amount of \$15,000, and is convertible at a price equal to fifty percent (50%) of the lowest trading price during the five trading day period prior to the date of conversion. The note maturity date is November 16, 2018.

On January 19, 2018, the Company entered into an 18% Convertible Promissory Note with Crest Ventures LLC, an unaffiliated third party. The note was in a principal amount of \$10,000, and is convertible at a price equal to fifty percent (50%) of the lowest trading price during the five trading day period prior to the date of conversion. The note maturity date is January 19, 2019.

On March 22, 2018, the Company entered into an 18% Convertible Promissory Note with Long Side Ventures LLC, an unaffiliated third party. The note was in a principal amount of \$15,000, and is convertible at a price equal to fifty percent (50%) of the lowest trading price during the five trading day period prior to the date of conversion. The note maturity date is March 1, 2019.

On March 23, 2018, the Company entered into an 18% Convertible Promissory Note with Long Side Ventures LLC, an unaffiliated third party. The note was in a principal amount of \$15,000, and is convertible at a price equal to fifty percent (50%) of the lowest trading price during the five trading day period prior to the date of conversion. The note maturity date is March 1, 2019.

After year ending June 30, 2017, there were a total of 1,071,965,073 common stock shares issued.

ITEM 9. DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Management's annual report on internal control over financial reporting

Our management, including our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our internal control over financial reporting as of June 30, 2017. Our management's evaluation of our internal control over financial reporting was based on the framework in Internal Control-Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that as of June 30, 2017, our internal control over financial reporting was not effective.

The ineffectiveness of our internal control over financial reporting was due to the following material weaknesses which we identified in our internal control over financial reporting: (1) the lack of multiples levels of management review on complex accounting and financial reporting issues, (2) a lack of adequate segregation of duties and necessary corporate accounting resources in our financial reporting process and accounting function as a result of our limited financial resources to support hiring of personnel and implementation of accounting systems.

We expect to be materially dependent upon third parties to provide us with accounting consulting services related to accounting services for the foreseeable future. We believe this will be sufficient to remediate the material weaknesses related to our accounting discussed above. Until such time as we have a chief financial officer with the requisite expertise in U.S. GAAP, there are no assurances that the material weaknesses and significant deficiencies in our disclosure controls and procedures will not result in errors in our financial statements which could lead to a restatement of those financial statements.

A material weakness is a deficiency or a combination of control deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Limitations on Effectiveness of Controls

Our principal executive officer and principal financial officer do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additional controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control Over Financial Reporting.

We have made no change in our internal control over financial reporting during the fourth quarter of our fiscal year ended June 30, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Attestation Report of the Registered Public Accounting Firm.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this annual report on Form 10-K.

ITEM 9B. OTHER INFORMATION.

On April 3, 2018, the Company appointed Ms. Rudman as the Company's Interim Chief Executive Officer.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Set forth below are the names of the directors and officers of the Company, all positions and offices with the Company held, the period during which he has served as such, and the business experience during at least the last five years:

<u>Name and Address</u>	<u>Age</u>	<u>Date Appointed to Office</u>	<u>Position(s)</u>
Huey Long	49	February 2, 2017 ¹	Former Director and Chief Executive Officer
Victoria Rudman	50	January 16, 2017 April 3, 2018	Director and Chief Financial Officer, and Interim Chief Executive Officer
William Singer	46	March 1, 2017	Director, EVP Sales and Marketing
Dr. Charles Adelson	40	August 29, 2016	Director

1. Mr. Long resigned as the Company's Chief Executive Officer and a Director effective as of November 24, 2017.

The above listed officers and directors are not involved, and have not been involved in the past five years, in any legal proceedings that are material to an evaluation of their ability or integrity.

DESCRIPTION

Background Information about Our Officers and Directors

Huey Long – Former Director and Chief Executive Officer

Mr. Huey Long received his Bachelor's degree in from the University of Tennessee in 1995 where he majored in Psychology and Business and is a veteran of the United States Navy. He has spent over 25 years as an executive leader developing a global network with deep relationships at the world's largest retailers and suppliers, and is known for his expertise in executive business management, merchandising, strategy, marketing and operations.

From May 2010 to August 2012, Mr. Long served as a Senior Vice President at Wal-Mart Stores, Inc., a global retailer, where he was responsible for general merchandise operations and a General Merchandise Manager at Wal-Mart's Sam's Club. From December 2012 to December 2013, Mr. Long was an Executive Vice President of RadioShack Corp., a retailer of electronics and related goods, where he was responsible for mobility merchandising, marketing, strategy and e-commerce operations. From May 2013 to December 2013, Mr. Long also served as a Director of RadioShack China. From April 2014 prior to joining the Company, Mr. Long was Chief Executive Officer of Panam.com, which is a company in the online travel business, and Memley Aviation Inc., which is in the aviation industry. None of these entities are a parent, subsidiary or affiliate of the Company, and Mr. Long does not currently serve on the Board, or any committees thereof, of any other publicly traded company. Mr. Long is not immediately related to any individual who has been employed by the Company or its affiliates as an executive officer or Director during the current or any of the past three years.

The Board believes that Mr. Long's extensive experience in executive management and the other factors discussed below make Mr. Long uniquely suited and qualified to serve as a member of the Board and as the Company's Chief Executive Officer. Specifically, Mr. Long Huey is known for his integrity, energy, passion for consumers, loyalty to associates, and relentless focus on results, and has extensive experience in building strong executive teams, with a laser focus on the customer. Mr. Long has significant experience in managing merchandising, operations, logistics and marketing complexities with incisive integration and analysis of information, and has a clear vision of emerging trends and of how value will be created now and in the future. Mr. Long's financial acumen, while maintaining focus on overall financial outputs through key performance metrics, will be a material benefit to the Company and we grow our operations.

Mr. Long is active in numerous industry, trade and other groups, including the eCommerce On Line Marketing Experts Circle, Social Executive Council, Big Box Retail Professionals, Consumer Electronics Association, Consumer Electronics Independent Dealer Association, National Business Aviation Association, Aircraft Owners and Pilots Association and The Society of Experimental Test Pilots.

In connection with his engagement as the Chief Executive Officer of the Company, the Company entered into an Executive Employment Agreement with Mr. Long (the "Agreement") on February 2, 2017. The Agreement is for a one-year term, which automatically renews for successive additional one-year terms unless either Mr. Long or the Company notifies the other party that they do not wish the Agreement to so renew. The Agreement provides that Mr. Long will serve as the Company's Chief Executive Officer and as a member of the Board.

Pursuant to the Agreement, the Company will pay Mr. Long a salary of \$300,000 annually, payable on a monthly basis with the first payment due on February 7, 2017. In addition, the Company granted to Mr. Long, effective as of February 2, 2017, a total of 15,500,000 shares of the Company's unregistered common stock, par value \$0.001 per share (the "Common Stock") via two stock grants, one for 15,000,000 shares of unregistered Common Stock and one for 500,000 shares of unregistered Common Stock. 3,750,000 shares of Common Stock in the first grant will vest on August 2, 2017 and 3,750,000 shares of Common Stock in the first grant will vest on February 2, 2018. The balance of 7,500,000 shares of Common Stock will thereafter vest pro rata over the following 12 months.

The 500,000 shares in the second grant will vest shall vest on the Company achieving positive cash flow and meeting such other goals as determined by the Board.

Effective as of November 24, 2017, Mr. Long resigned his position as the Company's Chief Executive officer and a director.

Victoria Rudman – Director, Chief Financial Officer and Interim Chief Executive Officer

Ms. Victoria Rudman has been the Company's Chief Financial Officer, Secretary, Treasure and a Director since January 16, 2017, Secretary and since April 3, 2018 its Interim Chief Executive Officer. Previously, Ms. Rudman served as interim Chief Financial Officer of Kalytera from March 2015 through June 2016 and continues to serve as Treasurer and Secretary of Kalytera since March 2015 (TSX:KALY). She also currently serves as the CFO of TheraKine Ltd., a private company. Ms. Rudman has over 25 years of professional experience in multiple aspects of leadership, operations, accounting, finance, taxation and fiscal management.

Ms. Rudman has spent most of her career in Fortune 50 global investment bank and retail brokerage firms as well as small cap public companies and startup ventures. She served as Chairman and CEO of Intelligent Living Inc. from 2011-2014. Previously, Victoria held various technology controllership positions at Morgan Stanley and acted as a Vice President at Bear Stearns and Director of Business Planning & Strategy at Visual Networks, where she was the lead project manager for the entire technology business enterprise, including IPO and strategic M&A. Victoria holds a Bachelor of Business Administration in Public Accounting from Pace University, Lubin School of Business.

In connection with her engagement as the Chief Financial Officer of the Company, the Company entered into an Executive Employment Agreement with Ms. Rudman (the "Agreement") on June 30, 2017. The Agreement is for a two-year term, which automatically renews for successive additional one-year terms unless either Ms. Rudman or the Company notifies the other party that they do not wish the Agreement to so renew. The Agreement provides that Ms. Rudman will serve as the Company's Chief Executive Officer and as a member of the Board.

Pursuant to the Agreement, the Company will pay Ms. Rudman a salary of \$150,000 annually, payable on a monthly basis. The Company is currently unable to pay this Base Salary. Therefore, the Company and the Executive have agreed to an initial payment of \$5,000 per month towards the Base Salary. The Base Salary shall then accrue until the Company has raised \$100,000 or more for working capital, collectively, since the Effective Date and, at such time, the accrued Base Salary shall be paid in full and regular payments of the Base Salary going forward will commence.

In addition, the Company granted to Ms. Rudman, effective as of June 30, 2017, a total of 7,500,000 shares of the Company's unregistered common stock, par value \$0.001 per share (the "Common Stock"). 1,875,000 shares of the Common Stock will vest on December 30, 2017, 1,875,000 shares of the Common Stock will vest on June 30, 2017 and thereafter 625,000 shares of the Common Stock will vest each month thereafter.

Pursuant to the Agreement, the Company also agreed to grant Ms. Rudman 500,000 shares of Common Stock on each anniversary of June 30, 2017, provided that the amount of these shares of Common Stock will be based on performance and may be adjusted by the Board. The shares of Common Stock in these grants will vest 50% on each anniversary of the applicable grant.

If Ms. Rudman's engagement is terminated by the Company without "Cause," or by Ms. Rudman for "Good Reason," (in each case as defined below) then a portion of the stock grants described above equal to a pro rata portion of the grants based on the time from the date of the grant to the date of termination, and assuming a 24-month vesting period, shall be deemed vested, and all other amounts shall be forfeited. If Ms. Rudman's engagement is terminated by the Company with "Cause" or by Ms. Rudman without "Good Reason," then all unvested portions of the stock grants described above as of the date of termination shall be forfeited.

The background information presented above regarding Ms. Rudman's specific experience, qualifications, attributes and skills in addition to her reputation for integrity, honesty and adherence to high ethical standards are expected to benefit the Company as a member of its Board of Directors.

William Singer – Director, Executive Vice President of Sales and Marketing

Mr. William Singer is a Multi-Channel Retail Expert, an entrepreneur and investor, and has launched several successful businesses and products in retail, transportation, eCommerce, mobility, and services. Mr. Singer's first startup was when he was 19 in 1991, which he ran for 20 years. It was a bus business called Bill's Bus with a route from the university town in Santa Barbara to the downtown so that students didn't drink and drive. He sold the business in 2011. Mr. Singer also worked with legendary investor, Louis Navellier. In his career, William has raised over \$50 million.

In 2012, Mr. Singer was President of Tru Connect LLC, a national provider of wireless voice, messaging, and data services. Mr. Singer's sole position in the prior 5 years, other than with True Connect LLC (or with the Company), has been as the Managing Member of Summerland Advisors, LLC, a registered investment advisor in California, from 2012 to the present. He became involved with the Company in October 2015 as an advisor, and served as the Company's vice president of sales from April 2016 through January 2017.

Mr. Singer has successfully launched products into major retailers including RadioShack, Best Buy, Target, Wal-Mart, QVC and Amazon.com. Mr. Singer has global contacts and significant experience in multi-channel retail, business, sales and marketing. The Board believes that Mr. Singer's extensive experience in executive management and the other factors discussed herein make him uniquely suited and qualified to serve as a member of the Board and as the Company's Executive Vice President of Sales and Marketing.

In connection with his engagement as the Executive Vice President of Sales and Marketing of the Company, the Company entered into an Executive Employment Agreement with Mr. Singer (the "Agreement") on March 1, 2017. The Agreement is for a two-year term, which automatically renews for successive additional one-year terms unless either Mr. Singer or the Company notifies the other party that they do not wish the Agreement to so renew. The Agreement provides that Mr. Singer will serve as the Company's Executive Vice President of Sales and Marketing and as a member of the Board.

Pursuant to the Agreement, the Company will pay Mr. Singer a salary of \$3,500 per month, which commenced effective as of February 1, 2017, provided that following the month in which the Company begins generating revenue Mr. Singer's salary will be increased to \$5,000 per month. Mr. Singer will also receive a commission of 1% of any net sales revenue collected by the Company on the sales of its products, based on the wholesale price, and contingent on the sale being profitable to the Company, and will be eligible for a bonus as jointly determined by the Board and Mr. Singer.

In addition, the Company granted to Mr. Singer, effective as of March 1, 2017, a total of 6,000,000 shares of the Company's unregistered common stock, par value \$0.001 per share (the "Common Stock"). 1,500,000 shares of the Common Stock will vest on March 1, 2018 and thereafter 250,000 shares of the Common Stock will vest each month thereafter.

Pursuant to the Agreement, the Company also agreed to grant Mr. Singer 500,000 shares of Common Stock on each anniversary of March 1, 2017, provided that the amount of these shares of Common Stock will be based on performance and may be adjusted by the Board. The shares of Common Stock in these grants will vest 50% on each anniversary of the applicable grant.

If Mr. Singer's engagement is terminated by the Company without "Cause," or by Mr. Singer for "Good Reason," (in each case as defined below) then a portion of the stock grants described above equal to a pro rata portion of the grants based on the time from the date of the grant to the date of termination, and assuming a 24-month vesting period, shall be deemed vested, and all other amounts shall be forfeited. If Mr. Singer's engagement is terminated by the Company with "Cause" or by Mr. Singer without "Good Reason," then all unvested portions of the stock grants described above as of the date of termination shall be forfeited.

The background information presented above regarding Mr. Singer's specific experience, qualifications, attributes and skills in addition to his reputation for integrity, honesty and adherence to high ethical standards are expected to benefit the Company as a member of its Board of Directors.

Dr. Charles Adelson – Director

Dr. Charles Adelson graduated from the University of Central Florida in Orlando, where he received a B.S. in Micro and Molecular Biology. Dr. Charles Adelson went on to receive his Doctor of Medical Dentistry at Nova Southeastern University's School of Dental Medicine. He continued his studies there after completing a three-year postdoctoral surgical residency with extensive training in implant placement, periodontal surgery, and regenerative bone therapy. Dr. Charles Adelson has participated in several medical missions sponsored by the Women of Hope. He traveled to both the inner cities and the rural areas of Jamaica, providing dental care to orphan children. In addition to dentistry and philanthropy Dr. Adelson is as well an experienced business man owning several commercial properties throughout South Florida.

The background information presented above regarding Dr. Adelson's specific experience, qualifications, attributes and skills in addition to his reputation for integrity, honesty and adherence to high ethical standards are expected to benefit the Company as a member of its Board of Directors.

Family Relationships

There are no family relationships among our directors and executive officers. No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it. No director or executive officer has been convicted of a criminal offense within the past five years or is the subject of a pending criminal proceeding. No director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities. No director or officer has been found by a court to have violated a federal or state securities or commodities law.

Committees of the Board of Directors

There are no committees of the Board of Directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the "34 Act") requires our officers and directors and persons owning more than ten percent of the Common Stock, to file initial reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Additionally, Item 405 of Regulation S-K under the 34 Act requires us to identify in its Form 10-K and proxy statement those individuals for whom one of the above referenced reports was not filed on a timely basis during the most recent year or prior years. Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons we believe that during year ended June 30, 2017, all filing requirements applicable to our executive officers and directors, and persons who own more than 10% of our common stock were complied with except Mr. Long, Ms. Rudman, Mr. Singer and Dr. Adelson failed to file a Form 3 or Form 4 as required under the 34 Act.

Code of Ethics

Our board of directors has not adopted a code of ethics but plans to do so in the future.

Corporate Governance

Term of Office

Each director of our company is to serve for a term of one year ending on the date of subsequent annual meeting of stockholders following the annual meeting at which such director was elected. Notwithstanding the foregoing, each director is to serve until his successor is elected and qualified or until his death, resignation or removal. Our board of directors is to elect our officers and each officer is to serve until his successor is elected and qualified or until his death, resignation or removal.

Committees of the Board

All proceedings of our board of directors were conducted by resolutions consented to in writing by all the directors and filed with the minutes of the proceedings of the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the corporate laws of the State of Wyoming and our By-laws, as valid and effective as if they had been passed at a meeting of our directors duly called and held.

We currently do not have nominating or compensation committees or committees performing similar functions nor do we have a written nominating or compensation committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes that the functions of such committees can be adequately performed by our board of directors.

We do not have any defined policy or procedure requirements for shareholders to submit recommendations or nominations for directors. We do not currently have any specific or minimum criteria for the election of nominees to our board of directors and we do not have any specific process or procedure for evaluating such nominees. Our board of directors assesses all candidates, whether submitted by management or shareholders, and makes recommendations for election or appointment.

A shareholder who wishes to communicate with our board of directors may do so by directing a written request to the address appearing on the first page of this annual report.

Options/SAR Grants and Fiscal Year End Option Exercises and Values

On April 20, 2016, the Company approved the Life Clips, Inc. 2016 Stock and Incentive Plan (“the Plan”). The Plan provides for the granting of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock grants and units, performance units and awards, and cash. The Plan allows for an issuance of a maximum of 20,000,000 shares of common stock, with awards made at the discretion of the board of directors. No awards have been made to date. The current management does not have any plans to issue stock options in the future to executive officers and directors.

Item 11. EXECUTIVE COMPENSATION

The following table sets forth information concerning the compensation of our named executive officers during 2016 and 2017 through the date of this Prospectus.

Name and Principal Position <i>(a)</i>	Year <i>(b)</i>	Salary (\$) <i>(c)</i>	Bonus (\$) <i>(d)</i>	Stock Awards (\$) <i>(e)</i>	Option Awards <i>(f)</i>	Non-Equity Incentive Compensation (\$) <i>(g)</i>	Non-Qualified Deferred Compensation Earnings (\$) <i>(h)</i>	All Other Compensation (\$) <i>(i)</i>	Totals (\$) <i>(j)</i>
Robert Gruder, Former CEO (1)	2016	\$ 80,000	—	—	—	—	—	—	\$ 80,000
Huey Long, Former CEO (2) (3)	2017	\$ 300,000	—	—	3,750,000	—	—	—	\$ 300,000
Victoria Rudman, CFO and Interim CEO (2)(4)	2017	\$ 150,000	—	—	7,500,000	—	—	—	\$ 150,000

(1) Resigned as CEO and a Director on January 12, 2017. Huey Long was granted 15,000,000 shares of restricted common stock on February 2, 2017; of which 2,500,000 shares vested on August 4, 2017 and the balance of the shares were forfeited upon his resignation on November 24, 2017.

(2) The compensation for Mr. Long and Ms. Rudman is being accrued until the Company has sufficient funds to pay for their services.

(3) Resigned as CEO and a Director on November 24, 2017.

(4) Victoria Rudman was granted 7,500,000 shares of common stock on June 30, 2017; of which 1,875,000 shares will vest on December 30, 2017 and 1,875,000 shares will vest on June 30, 2018.

Compensation of Management. See Item 10 above under Background Information about Our Officers and Directors.

Option Grants. No option grants have been exercised by the executive officers named in the Summary Compensation Table.

Aggregated Option Exercises and Fiscal Year-End Option Value. There have been no stock options exercised by the executive officers named in the Summary Compensation Table.

Long-Term Incentive Plan (“LTIP”) Awards. There have been no awards made to a named executive officers in the last completed fiscal year under any LTIP.

Compensation of Directors

Directors are permitted to receive fixed fees and other compensation for their services as directors. The Board of Directors has the authority to fix the compensation of directors. No amounts have been paid to, or accrued to, our sole director in such capacity.

Stuart Posner, Wayne Thomas, and Charles Adelson were appointed as directors on August 29, 2016. Each of Mr. Posner, Mr. Thomas and Mr. Adelson shall receive a total of 1,000,000 stock options, with 250,000 of the options vesting as of August 29, 2016, and the remaining 750,000 options vesting equally over each subsequent 90 day period for three consecutive 90-day periods.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following sets forth the number of shares of our \$0.001 par value common stock beneficially owned by (i) each person who, as of April 3, 2018, was known by us to own beneficially more than five percent (5%) of its common stock; (ii) our individual Directors and (iii) our Officers and Directors as a group. A total of 1,259,831,337 common shares were issued and outstanding as of April 3, 2018.

Name and Address of Beneficial Owner ⁽¹⁾	Common Stock Beneficial Ownership	Percent of Class ⁽²⁾	Outstanding Series A Preferred Stock	Percent of Class ⁽³⁾
Named Executive Officers and Directors:				
Robert Gruder ⁽⁴⁾	-	-		
Huey Long ⁽⁵⁾	3,750,000	0.30%		
Victoria Rudman ⁽⁶⁾	1,875,000	0.15%	1,000,000	100.0%
William Singer ⁽⁷⁾	4,500,000	0.36%		
Dr. Charles Adelson ⁽⁸⁾	1,000,000	0.08%		
All executive officers and directors as a group (five people)	11,125,000	0.88%	1,000,000	100.0%
Other 5% Stockholders	None			

Only included above are shares issued, vested at June 30, 2017 and vesting in 60 days.

(1) All ownership is beneficial and of record, unless indicated otherwise.

(2) The Beneficial owner has sole voting and investment power with respect to the shares shown.

(3) Each share of Series A Preferred Stock entitles the holder to 400 votes on all matters submitted to a vote of the Company's stockholders.

(4) On January 12, 2017, Robert Gruder resigned as the Chief Executive Officer, Chief Financial Officer, Secretary and Treasurer of the Company and member of the Board of Directors of the Company. He returned 27,617,226 shares to treasury on March 16, 2017.

(5) Huey Long was granted 15,000,000 shares of restricted common stock on February 2, 2017; of which 2,500,000 shares vested on August 4, 2017 and the balance of the shares were forfeited upon his resignation on November 24, 2017.

(6) Victoria Rudman was granted 7,500,000 shares of restricted common stock on June 30, 2017; of which 1,875,000 shares will vest on December 30, 2017, 1,875,000 shares will vest on June 30, 2018 and thereafter 625,000 shares of the Common Stock will vest each month thereafter.

(7) William Singer was re-issued 3,000,000 shares on July 28, 2017 for prior year services. He was also granted 6,000,000 on August 31, 2017; of which 1,500,000 shares vested on August 31, 2017 and 1,500,000 shares will vest on March 1, 2018.

(8) Dr. Charles Adelson was appointed as a director on August 29, 2016. Mr. Adelson was awarded a total of 1,000,000 stock options, with 250,000 of the options vesting as of August 29, 2016, and the remaining 250,000 options vesting equally over each subsequent 90-day period for three consecutive 90-day periods, as follows:

August 29, 2017	250,000
November 27, 2017	250,000
February 25, 2018	250,000
May 26, 2018	250,000
Total	1,000,000

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Except for compensation arrangements discussed elsewhere in this Annual Report on Form 10-K below, since July 1, 2016, there have been no transactions, or currently proposed transactions, in which we were or are to be a participant and the amount involved exceeds the lesser of \$120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years, and in which any of the following persons had or will have a direct or indirect material interest:

- (i) Any director or executive officer of our company;
- (ii) Any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our outstanding shares of common stock;
- (iii) Any member of the immediate family (including spouse, parents, children, siblings and in-laws) of any of the foregoing persons, and any person (other than a tenant or employee) sharing the household of any of the foregoing persons.

ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent auditor, L&L CPAs, PA billed an aggregate of \$7,000 for the year ended June 30, 2016 and for professional services rendered for the audit of the Company's annual financial statements and review of the financial statements included in our quarterly reports. L&L CPAs, PA, billed or is expected to bill an aggregate of \$20,000 for the year ended June 30, 2017 and for professional services rendered for the audit of the Company's annual financial statements and review of the financial statements included in our quarterly reports.

We do not have an audit committee and as a result our board of directors performs the duties of an audit committee. Our board of directors evaluates the scope and cost of the engagement of an auditor before the auditor renders audit and non-audit services.

PART IV

ITEM 15. EXHIBITS FINANCIAL STATEMENT SCHEDULES.

The following financial information is filed as part of this report:

- (a) (1) FINANCIAL STATEMENTS
- (2) SCHEDULES
- (3) EXHIBITS. The following exhibits required by Item 601 to be filed herewith are incorporated by reference to previously filed documents:

Exhibit Number	Description
3.1(a)	Articles of Restatement filed on April 4, 2016 (incorporated by reference to Exhibit 3.13 to the registrant's Registration Statement on Form S-1 filed with the SEC on August 15, 2016)
3.1(b)	Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock of Life Clips, Inc. (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the SEC on May 25, 2017).
3.1(c)	Amended and Restated Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock of Life Clips, Inc. (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the SEC on June 6, 2017).
3.1(d)	Articles of Amendment for Life Clips, Inc. effective July 24, 2017. Increase the number of authorized shares of common stock of the Company, par value \$0.001 per share (the "Common Stock") from 300,000,000 shares of Common Stock to 800,000,000 shares of Common Stock (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the SEC on August 2, 2017).
3.1(e)	Articles of Amendment for Life Clips, Inc. effective September 26, 2017. Increase the number of authorized shares of common stock of the Company, par value \$0.001 per share (the "Common Stock") from 800,000,000 shares of Common Stock to 5,000,000,000 shares of Common Stock (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the SEC on October 2, 2017).
10.1	Form of Promissory Note for April 22, 2016 Notes (Previously filed with Form S-1 on August 15, 2016).
10.2	Form of Promissory Note for April 27, 2016 Note (Previously filed with Form 8-K on May 3, 2016).
10.3	Form of Promissory Note for May 13, 2016 Note (Previously filed with Form 8-K on May 17, 2016).
10.4	Life Clips, Inc. 2016 Stock and Incentive Plan (Previously filed with Form 8-K on June 14, 2016).
10.5	Distribution Agreement France (Previously filed with Form S-1 on August 15, 2016). Distribution Agreement United Kingdom (Previously filed with Form S-1 on August 15, 2016).
10.6+	Executive Employment Agreement, dated as of February 2, 2017, by and between Life Clips, Inc. and Huey Long (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the SEC on February 7, 2017).
10.7+	Executive Employment Agreement, dated as of March 1, 2017, by and between Life Clips, Inc. and William Singer (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the SEC on March 7, 2017).
10.8	Stock Purchase Agreement, dated as of June 22, 2017, by and among Life Clips, Inc., Ascenda Corporation, Hong Kong Ascenda International Co., Limited and Hong Kong Ascenda International Co., Limited (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the SEC on June 27, 2017).
10.9	Promissory Note issued by Life Clips, Inc. to Ascenda Corporation, dated June 22, 2017 (incorporated by reference to Exhibit 10.2 to the registrant's current report on Form 8-K filed with the SEC on June 27, 2017).
10.10+	Executive Employment Agreement, dated as of June 22, 2017, by and between Life Clips, Inc. and Donald Su Yo Ruan (incorporated by reference to Exhibit 10.3 to the registrant's current report on Form 8-K filed with the SEC on June 27, 2017).
10.11+	Executive Employment Agreement, dated as of June 30, 2017, by and between Life Clips, Inc. and Victoria Rudman.
10.12	Rescission and Mutual Release Agreement, dated as of November 27, 2017, by and among Life Clips, Inc., Ascenda Corporation, Hong Kong Ascenda International Co., Limited, Hong Kong Ascenda International Co., Limited and Donald Ruan (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the SEC on November 28, 2018).
21.1*	Subsidiaries of Registrant
31.1*	Certification of Chief Executive Officer pursuant to Section 302
32.1*	Certification of Chief Executive Officer pursuant to Section 906
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Schema
101.CAL**	XBRL Taxonomy Calculation Linkbase
101.DEF**	XBRL Taxonomy Definition Linkbase

101.LAB** XBRL Taxonomy Label Linkbase

101.PRE** XBRL Taxonomy Presentation Linkbase

* Filed herewith.

** Furnished herewith. XBRL (eXtensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

+ Management contract or compensatory plan

SIGNATURES

In accordance with Section 12 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 April 3, 2018.

Life Clips, Inc.

By: /s/ Victoria Rudman

Victoria Rudman, Interim Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the Registrant and in the capacity and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Victoria Rudman</u> Victoria Rudman	Interim Chief Executive Officer, Chief Financial Officer and Director (Principal Executive Officer and Principal Financial and Accounting Officer)	April 3 , 2018
<u>/s/ William Singer</u> William Singer	Director	April 3 , 2018
<u>/s/ Charles Adelson</u> Dr. Charles Adelson	Director	April 3, 2018

EXECUTIVE EMPLOYMENT AGREEMENT

Dated as of June 30, 2017

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") dated as of the date first set forth above (the "Effective Date") is entered into by and between Life Clips, Inc., a Wyoming corporation (the "Company"), and Victoria Rudman (the "Executive"). The Company and Executive may collectively be referred to as the "Parties" and each individually as a "Party."

WHEREAS, the Company desires to employ the Executive as its Chief Financial Officer of the Company and the Executive desires to serve in such capacity on behalf of the Company, in each case subject to the terms and conditions herein;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the Executive hereby agree as follows:

1. Employment.

(a) Term. The term of this Agreement (the "Initial Term") shall begin as of the Effective Date and shall end on the earlier of (i) the second anniversary of the Effective Date and (ii) the time of the termination of the Executive's employment in accordance with Section 3. This Initial Term and any Renewal Term (as defined below) shall automatically be extended for one or more additional terms of one (1) year each (each a "Renewal Term" and together with the Initial Term, the "Term"), unless either the Company or Executive provide notice to the other Party of their desire to not so renew the Initial Term or Renewal Term (as applicable) at least thirty (30) days prior to the expiration of the then-current Initial Term or Renewal Term, as applicable.

(b) Duties. The Company hereby appoints Executive, and Executive shall serve, as Chief Financial Officer. Executive shall report directly to the CEO. The Executive shall have such duties and responsibilities as are consistent with Executive's position. In addition, the Executive shall perform all other duties and accept all other responsibilities incident to such position as may reasonably assigned to Executive by the CEO or the Board.

(c) Best Efforts. During the Term, the Executive shall devote Executive's best efforts and full time and attention to promote the business and affairs of the Company and its affiliated companies, and shall be engaged in other business activities only to the extent that such activities are not competitive with the Company and do not interfere or conflict with Executive's obligations to the Company hereunder, including, without limitation, the obligations pursuant to Section 6. Notwithstanding the foregoing, the Executive may (A) serve on corporate, civic, educational, philanthropic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments and consult non-competitive businesses so long as such activities do not significantly interfere with the performance of the Executive's responsibilities hereunder. The foregoing shall also not be construed as preventing the Executive from investing Executive's assets in such form or manner as will not require any significant services on Executive's part in the operation of the affairs of the businesses or entities in which such investments are made; provided, however, that the Executive shall not invest in any business competitive with the Company, except that the Executive shall be permitted to own not more than 5% of the stock of those companies whose securities are listed on a national securities exchange or quoted on the OTC Markets.

(d) Board Seat. Executive shall be named as a Director of the Company upon the Effective Date and shall have the right to serve as a Director of the Company during the Term and each renewal term.

2. Compensation and Other Benefits. As compensation for the services to be rendered hereunder, during the Term the Company shall pay to the Executive the salary and bonuses, and shall provide the benefits, as set forth in this Section 2.

(a) Base Salary. The Company shall pay to the Executive an annual base salary of \$150,000 annually, payable on a monthly basis commencing on the effective date (the "Base Salary"). The Company is currently unable to pay this Base Salary. Therefore, the Company and the Executive have agreed to an initial payment of \$8,000 per month towards the Base Salary. The Base Salary shall then accrue until the Company has raised \$100,000 or more for working capital, collectively, since the Effective Date and, at such time, the accrued Base Salary shall be paid in full and regular payments of the Base Salary going forward will commence. The Base Salary may be subject to annual increases (but not decreases), as determined in the discretion of Board. The Base Salary shall be paid in accordance with the Company's payroll policies. Initially the Base Salary shall be paid on a 1099

(b) Bonus. The Executive shall be eligible for an annual bonus payment in an amount to be determined by the Board and Executive (the "Bonus"). The Bonus shall be determined and payable based on the achievement of certain performance objectives of the Company as established by the Board and communicated to the Executive in writing as soon as practicable after commencement of the year in respect of which the Bonus is paid.

(c) Equity Grants. The Executive shall be granted the following equity awards:

(i) On the Effective Date, Executive shall be granted 7,500,000 shares of restricted common stock, par value \$0.001 per share (the "Common Stock") of the Company (the "First Grant"), which shall be subject to vesting as set forth in this Section 2(c)(i). 1,875,000 shares of Common Stock in the First Grant shall vest on the 6-month anniversary of the Effective Date; 1,875,000 shares of Common Stock in the First Grant shall vest on the 12-month anniversary of the Effective Date; and thereafter 625,000 shares of Common Stock in the First Grant shall vest each month thereafter up to 7,500,000, to modification as set forth in Section 3.

(ii) On each anniversary of the Effective Date, the Executive shall be granted a minimum of 500,000 shares of Common Stock of the Company (each, a "Second Grant") that will vest as set forth in this Section 2(c)(ii). 50% of each Second Grant shall vest on the first anniversary of the date of the grant of such Second Grant and the remaining 50% of each Second Grant shall vest on the second anniversary of the of the date of the grant of such Second Grant, subject in each case to modification as set forth in Section 3. The amount of the Second Grant may be increased by the Board.

(iii) Notwithstanding Section 2(c)(ii), in the event that, as of the date of the determination of any Second Grant pursuant to Section 2(c)(ii), Executive already owns, counting the shares of Common Stock granted pursuant to the First Grant and any Second Grants, (counting all such shares of Common Stock without regard to vesting) 9.99% of the total number of issued and outstanding shares of Common Stock on such date, assuming conversion into Common Stock of any other class of shares of capital stock of the Company which is so convertible and the exercise or conversion of any other securities of the Company which are so convertible into, or exercisable for, shares of Common Stock of the Company, then no Second Grant shall be made on such anniversary. The Executive may elect to increase the percentage limitation in this Section 2(c)(iii) upon 61 days' prior written notice to the Company.

(iv) Each of the First Grant, and the Second Grant, if any, may be referred to herein collectively as the "Stock Grants" and individually as a "Stock Grant."

(d) Expenses. The Company shall reimburse the Executive for all necessary and reasonable travel, entertainment and other business expenses incurred by Executive in the performance of Executive's duties hereunder in accordance with such reasonable procedures as the Company may adopt generally from time to time.

(e) Vacation. The Executive shall be entitled to 4 weeks of vacation annually, holiday and sick leave at levels no less than commensurate with those provided to any other senior executives of the Company, in accordance with the Company's vacation, holiday and other pay-for-time-not-worked policies.

(f) Retirement and Welfare Benefits. The Executive shall be entitled to participate in the Company's health, life insurance, long and short-term disability, dental, retirement, and medical programs, if any, pursuant to their respective terms and conditions, on a basis no less than commensurate with those provided to any other senior executives of the Company. Nothing in this Agreement shall preclude the Company or any affiliate of the Company from terminating or amending any employee benefit plan or program from time to time after the Effective Date, provided that any such amendment or termination shall be effective as to the Executive only if it is equally applicable to every other senior executive officer of the Company.

3. Termination.

(a) Definition of Cause. For purposes hereof, "Cause" shall mean:

(i) a material violation of any material written rule or policy of the Company, a copy of which has been provided to Executive, (A) for which violation any employee may be terminated pursuant to the written policies of the Company reasonably applicable to an executive employee, and (B) which the Executive fails to correct within 10 days after the Executive receives written notice from the Board of such violation;

(ii) misconduct by the Executive to the material and demonstrable detriment of the Company;

(iii) the Executive's conviction (by a court of competent jurisdiction, not subject to further appeal) of, or pleading guilty to, a felony;

(iv) the Executive's continued and ongoing gross negligence in the performance of Executive's duties and responsibilities to the Company as described in this Agreement; or

(v) the Executive's material failure to perform Executive's duties and responsibilities to the Company as described in this Agreement (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or any such failure subsequent to the Executive being delivered a notice of termination without Cause by the Company or delivering a notice of termination for Good Reason to the Company), in either case after written notice from the Board to the Executive of the specific nature of such material failure and the Executive's failure to cure such material failure within ten (10) days following receipt of such notice.

(b) Definition of Good Reason. For purposes hereof, "Good Reason" shall mean:

(i) a significant diminution by the Company of the Executive's role with the Company or a significant detrimental change in the nature and/or scope of the Executive's status with the Company (including a diminution in title);

(ii) a reduction in Base Salary or target or maximum Bonus, other than as part of an across-the-board reduction in salaries of management personnel (including all vice presidents and positions above) of less than 20%;

(iii) at any time following a Change of Control (as defined in Section 4), a material diminution by the Company of compensation and benefits (taken as a whole) provided to the Executive as compared to immediately prior to a Change of Control;

(iv) the relocation of the Executive's principal executive office to a location more than 50 miles further from the Executive's principal executive office immediately prior to such relocation; or

(v) any other material breach by the Company of any of the terms and conditions of this Agreement which the Company fails to correct within 10 days after the Company receives written notice from Executive of such violation.

(c) Termination by the Company. The Company may terminate the Term and Executive's employment hereunder at any time, with or without Cause, subject to the terms and conditions herein.

(i) For Cause. In the event that the Company terminates the Term or Executive's employment hereunder with Cause, then in such event, subject to Section 3(e), (A) the Company shall pay to Executive any unpaid Base Salary and benefits then owed or accrued, and any unreimbursed expenses incurred by the Executive pursuant to Section 2(d), in each case through the termination date, and each of which shall be paid within 10 days following the termination date; (B) any unvested portion of any Stock Grants shall immediately be forfeited as of the termination date without any further action of the Parties; and (C) all of the Parties' rights and obligations hereunder shall thereafter cease, other than such rights or obligations which arose prior to the termination date or in connection with such termination, and subject to Section 16.

(ii) Without Cause. In the event that the Company terminates the Term or Executive's employment hereunder without Cause, then in such event, subject to Section 3(e), (A) all of the First Grant and the Second Grant (if not already vested) shall immediately vest. (B) the Company shall pay to Executive any benefits then owed or accrued, and any unreimbursed expenses incurred by the Executive pursuant to Section 2(d), in each case through the termination date, and each of which shall be paid on the termination date; and (C) all of the Parties' rights and obligations hereunder shall thereafter cease, other than such rights or obligations which arose prior to the termination date or in connection with such termination, and subject to Section 16.

(d) Termination by the Executive. The Executive may terminate the Term or resign from Executive's employment hereunder at any time, with or without Good Reason.

(i) With Good Reason. In the event that Executive terminates the Term or resigns from Executive's employment hereunder with Good Reason, the Company shall pay to Executive the amounts, and Executive shall, subject to Section 3(e), be entitled to such benefits (including without limitation any vesting of unvested shares under any Grant), that would have been payable to Executive or which Executive would have received had the Term and Executive's employment been terminated by the Company without Cause pursuant to Section 3(c)(ii).

(ii) Without Good Reason. In the event that Executive terminates the Term or resigns from Executive's employment hereunder without Good Reason, the Company shall pay to Executive the amounts, and Executive shall be entitled, subject to Section 3(e), to such benefits (including without limitation any vesting of unvested shares under any Grant), that would have been payable to Executive or which Executive would have received had the Term and Executive's employment been terminated by the Company with Cause pursuant to Section 3(d)(i).

(e) Termination by Death or Disability. In the event of the Executive's death or total disability (as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended) during the Term, the Term and Executive's employment shall terminate on the date of death or total disability. In the event of such termination, the Company's sole obligations hereunder to the Executive (or the Executive's estate) shall be for unpaid Base Salary, accrued but unpaid Bonus and benefits (then owed or accrued and owed in the future), a pro-rata Bonus for the year of termination based on the Executive's target Bonus for such year and the portion of such year in which the Executive was employed, and reimbursement of expenses pursuant to Section 2(d) through the effective date of termination, each of which shall be paid within 10 days following the date of the Executive's termination, and any unvested portion of any Stock Grants shall immediately be forfeited as of the termination date without any further action of the Parties.

(f) Review Period (180 Days). The Parties acknowledge and agree that the Company is in the process of completing financing transactions. In the event that such financing transactions are not completed to the approval of the Board within 180 days of the Effective Date, the Executive's compensation may be reviewed and may be adjusted by the Board until suitable financing transactions have been completed.

4. Change of Control.

(a) A "Change of Control" shall be deemed to have occurred if, after the Effective Date, (i) the beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of securities representing more than 50% of the combined voting power of the Company is acquired by any "person" as defined in sections 13(d) and 14(d) of the Exchange Act (other than the Company, any subsidiary of the Company, or any trustee or other fiduciary holding securities under an employee benefit plan of the Company), (ii) the merger or consolidation of the Company with or into another corporation where the shareholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate 50% or more of the combined voting power of the securities of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any) in substantially the same proportion as their ownership of the Company immediately prior to such merger or consolidation, or (iii) the sale or other disposition of all or substantially all of the Company's assets to an entity, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned directly or indirectly by shareholders of the Company, immediately prior to the sale or disposition, in substantially the same proportion as their ownership of the Company immediately prior to such sale or disposition.

(b) Anything in this Agreement to the contrary notwithstanding, if it is determined that any payment or benefit provided to the Executive under this Agreement or otherwise, whether or not in connection with a Change of Control (a "Payment"), would constitute an "excess parachute payment" within the meaning of section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), such that the Payment would be subject to an excise tax under section 4999 of the Code (the "Excise Tax"), the Company shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the net amount of the Gross-Up Payment retained by the Executive after the payment of any Excise Tax and any federal, state and local income and employment tax on the Gross-Up Payment, shall be equal to the Excise Tax due on the Payment and any interest and penalties in respect of such Excise Tax. For purposes of determining the amount of the Gross-Up Payment, Executive shall be deemed to pay federal income tax and employment taxes at the highest marginal rate of federal income and employment taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of Executive's residence (or, if greater, the state and locality in which Executive is required to file a nonresident income tax return with respect to the Payment) in the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes that may be obtained from the deduction of such state and local taxes.

(c) All determinations made pursuant to the foregoing paragraph shall be made by the Company which shall provide its determination and any supporting calculations (the "Determination") to the Executive within thirty days of the date of the Executive's termination or any other date selected by the Executive or the Company. Within ten calendar days of the delivery of the Determination to the Executive, the Executive shall have the right to dispute the Determination (the "Dispute"). The existence of any Dispute shall not in any way affect the Executive's right to receive the Gross-Up Payments in accordance with the Determination. If there is no dispute, the Determination by the Company shall be final, binding and conclusive upon the Executive, subject to the application of Section 4(d). Within ten days after the Company's determination, the Company shall pay to the Executive the Gross-Up Payment, if any. If the Company determines that no Excise Tax is payable by the Executive, it will, at the same time as it makes such determination, furnish Executive with an opinion that the Executive has substantial authority not to report any Excise Tax on Executive's federal, state, local income or other tax return. The Company agrees to indemnify and hold harmless the Company of and from any and all claims, damages and expenses resulting from or relating to its determinations pursuant to this Section 4(c), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Company.

(d) As a result of the uncertainty in the application of sections 4999 and 280G of the Code, it is possible that the Gross-Up Payments either will have been made which should not have been made, or will not have been made which should have been made, by the Company (an "Excess Gross-Up Payment" or a "Gross-Up Underpayment," respectively). If it is established pursuant to (A) a final determination of a court for which all appeals have been taken and finally resolved or the time for all appeals has expired, or (B) an Internal Revenue Service (the "IRS") proceeding which has been finally and conclusively resolved, that an Excess Gross-Up Payment has been made, such Gross-Up Excess Payment shall be deemed for all purposes to be a loan to the Executive made on the date the Executive received the Excess Gross-Up Payment and the Executive shall repay the Excess Gross-Up Payment to the Company either (i) on demand, if the Executive is in possession of the Excess Gross-Up Payment or (ii) upon the refund of such Excess Gross-Up Payment to the Executive from the IRS, if the IRS is in possession of such Excess Gross-Up Payment, together with interest on the Excess Gross-Up Payment at (X) 120% of the applicable federal rate (as defined in Section 1274(d) of the Code) compounded semi-annually for any period during which the Executive held such Excess Gross-Up Payment and (Y) the interest rate paid to the Executive by the IRS in respect of any period during which the IRS held such Excess Gross-Up Payment. If it is determined (I) by the Company, the Company (which shall include the position taken by the Company, together with its consolidated group, on its federal income tax return) or the IRS, (II) pursuant to a determination by a court, or (III) upon the resolution to the Executive's satisfaction of the Dispute, that a Gross-Up Underpayment has occurred, the Company shall pay an amount equal to the Gross-Up Underpayment to the Executive within ten calendar days of such determination or resolution, together with interest on such amount at 120% of the applicable federal rate compounded semi-annually from the date such amount should have been paid to the Executive pursuant to the terms of this Agreement or otherwise, but for the operation of this Section 4(d), until the date of payment.

5. Post-Termination Assistance. Upon the Executive's termination of employment with the Company, the Executive agrees to fully cooperate in all matters relating to the winding up or pending work on behalf of the Company and the orderly transfer of work to other employees of the Company following any termination of the Executives' employment. The Executive further agrees that Executive will provide, upon reasonable notice, such information and assistance to the Company as may reasonably be requested by the Company in connection with any audit, governmental investigation, litigation, or other dispute in which the Company is or may become a party and as to which the Executive has knowledge; provided, however, that (i) the Company agrees to reimburse the Executive for any related out-of-pocket expenses, including travel expenses, and (ii) any such assistance may not unreasonably interfere with Executive's then current employment.

6. Restrictive Covenants.

(a) In consideration of the obligations of the Company hereunder, the Executive agrees that Executive shall not:

(i) during the Term and for a period of two years after a termination of the Executive's employment with the Company for any reason, (A) directly or indirectly become an employee, director, consultant or advisor of, or otherwise affiliated with, any business which provides, in whole or in part, the same or similar services and/or products offered by Company, or (B) directly or indirectly solicit or hire or encourage the solicitation or hiring of any person who was an employee of the Company at any time on or after the date of such termination (unless more than six months shall have elapsed between the last day of such person's employment by the Company and the first date of such solicitation or hiring);

(ii) during or after the Term, make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any other action which disparages the Company or its officers, directors, businesses or reputations; or

(iii) during or after the Term, without the written consent of the Board, disclose to any person other than as required by law or court order, any confidential information obtained by the Executive while in the employ of the Company, provided, however, that confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by the Executive) or any specific information or type of information generally not considered confidential by persons engaged in the same business as the Company, or information disclosed by the Company by any member of the Board or any other officer thereof to a third party without restrictions on the disclosure of such information.

(b) Executive agrees that the geographic scope of the above restrictions shall extend to the geographic area in which Company actively conducted business immediately prior to termination of this Agreement or expiration of the Term.

(c) For the purpose of Section 5 and Section 6 only, the term "Company" shall mean the Company and its subsidiaries. Notwithstanding the above, nothing in this Agreement shall preclude the Executive from making truthful statements or disclosures that are required by applicable law, regulation or legal process.

(d) Executive admits and agrees that Executive's breach of the provisions of this Section 6 would result in irreparable harm to the Company. Accordingly, in the event of Executive's breach or threatened breach of such restrictions, Executive agrees that the Company shall be entitled to an injunction restraining such breach or threatened breach without the necessity of posting a bond or other security. Further, in the event of Executive's breach, the duration of the restrictions contained in this Section 6 shall be extended for the entire time that the breach existed so that the Company is provided with the benefit of the full-time period provided herein.

(e) In addition to injunctive relief, the Company shall be entitled to any other remedy available in law or equity by reason of Executive's breach or threatened breach of the restrictions contained in this Section 6.

(f) If the Company or Executive retains an attorney to enforce or attest the provisions of this Section 6, the successful Party in such proceeding shall be entitled to receive its attorneys' fees and costs so incurred both prior to filing a lawsuit, during the lawsuit and on appeal, from the unsuccessful Party in such proceeding.

(g) It is the intent and understanding of each Party hereto that if, in any action before any arbitration panel, court or agency legally empowered to enforce this Agreement, any term, restriction, covenant or promise in this Section 6 is found to be unreasonable and for that reason unenforceable, then such term, restriction, covenant or promise shall be deemed modified to the extent necessary to make it enforceable by such arbitration panel, court or agency.

7. Enforcement. The Executive hereby expressly acknowledges that the restrictions contained in Section 6 are reasonable and necessary to protect the Company's legitimate interests, that the Company would not have entered into this Agreement in the absence of such restrictions, and that any violation of such restrictions will result in irreparable harm to the Company. The Executive agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as an equitable accounting of all earnings, profits and other benefits arising from any violation of the restrictions contained in Section 6, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled. The Executive irrevocably and unconditionally (i) agrees that any legal proceeding arising out of this paragraph may be brought in any United States District Court located in the State of Florida (the "Selected Courts"), (ii) consents to the non-exclusive jurisdiction of the Selected Courts in any such proceeding, and (iii) waives any objection to the laying of venue of any such proceeding in any Selected Court.
8. No Mitigation or Set Off. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced, regardless of whether the Executive obtains other employment. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or others; provided, however, the Company shall have the right to offset the amount of any funds loaned or advanced to the Executive and not repaid against any severance obligations the Company may have to the Executive hereunder.
9. Return of Documents. Upon termination of Executive's employment, the Executive agrees to return all documents belonging to the Company in Executive's possession including, but not limited to, contracts, agreements, licenses, business plans, equipment, software, software programs, products, work-in-progress, source code, object code, computer disks, books, notes and all copies thereof, whether in written, electronic or other form; provided that the Executive may retain copies of Executive's rolodex. In addition, the Executive shall certify to the Company in writing as of the effective date of termination that none of the assets or business records belonging to the Company are in Executive's possession, remain under Executive's control, or have been transferred to any third person.

10. Intellectual Property Rights.

(a) Disclosure of Work Product. As used in this Agreement, the term “Work Product” means any invention, whether or not patentable, know-how, designs, mask works, trademarks, formulae, processes, manufacturing techniques, trade secrets, ideas, artwork, software or any copyrightable or patentable works. Executive agrees to disclose promptly in writing to Company, or any person designated by Company, all Work Product that is solely or jointly conceived, made, reduced to practice, or learned by Executive in the course of any work performed for Company (“Company Work Product”). Executive agrees (a) to use Executive’s best efforts to maintain such Company Work Product in trust and strict confidence; (b) not to use Company Work Product in any manner or for any purpose not expressly set forth in this Agreement; and (c) not to disclose any such Company Work Product to any third party without first obtaining Company’s express written consent on a case-by-case basis.

(b) Ownership of Company Work Product. Executive agrees that any and all Company Work Product conceived, written, created or first reduced to practice in the performance of work under this Agreement shall be deemed “work for hire” under applicable law and shall be the sole and exclusive property of Company.

(c) Assignment of Company Work Product. Executive irrevocably assigns to Company all right, title and interest worldwide in and to the Company Work Product and all applicable intellectual property rights related to the Company Work Product, including without limitation, copyrights, trademarks, trade secrets, patents, moral rights, contract and licensing rights (the “Proprietary Rights”). Except as set forth below, Executive retains no rights to use the Company Work Product and agrees not to challenge the validity of Company’s ownership in the Company Work Product. Executive hereby grants to Company a perpetual, non-exclusive, fully paid-up, royalty-free, irrevocable and world-wide right, with rights to sublicense through multiple tiers of sublicensees, to reproduce, make derivative works of, publicly perform, and display in any form or medium whether now known or later developed, distribute, make, use and sell any and all Executive owned or controlled Work Product or technology that Executive uses to complete the services and which is necessary for Company to use or exploit the Company Work Product.

(d) Assistance. Executive agrees to cooperate with Company or its designee(s), both during and after the Term, in the procurement and maintenance of Company’s rights in Company Work Product and to execute, when requested, any other documents deemed necessary by Company to carry out the purpose of this Agreement. Executive will assist Company in every proper way to obtain, and from time to time enforce, United States and foreign Proprietary Rights relating to Company Work Product in any and all countries. Executive’s obligation to assist Company with respect to Proprietary Rights relating to such Company Work Product in any and all countries shall continue beyond the termination of this Agreement, but Company shall compensate Executive at a reasonable rate to be mutually agreed upon after such termination for the time actually spent by Executive at Company’s request on such assistance.

(e) Execution of Documents. In the event Company is unable for any reason, after reasonable effort, to secure Executive’s signature on any document requested by Company pursuant to this Section 10 within seven (7) days of the Company’s initial request to Executive, Executive hereby irrevocably designates and appoints Company and its duly authorized officers and agents as its agent and attorney in fact, which appointment is coupled with an interest, to act for and on its behalf solely to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 10 with the same legal force and effect as if executed by Executive. Executive hereby waives and quitclaims to Company any and all claims, of any nature whatsoever, which Executive now or may hereafter have for infringement of any Proprietary Rights assignable hereunder to Company.

(f) Executive Representations and Warranties. Executive hereby represents and warrants that:

(i) Company Work Product will be an original work of Executive or all applicable third parties will have executed assignments of rights reasonably acceptable to Company;

(ii) neither the Company Work Product nor any element thereof will infringe the intellectual property rights of any third party;

(iii) neither the Company Work Product nor any element thereof will be subject to any restrictions or to any mortgages, liens, pledges, security interests, encumbrances or encroachments;

(iv) Executive will not grant, directly or indirectly, any rights or interest whatsoever in the Company Work Product to any third party;

(v) Executive has full right and power to enter into and perform Executive's obligations under this Agreement without the consent of any third party;

(vi) Executive will use best efforts to prevent injury to any person (including employees of Company) or damage to property (including Company's property) during the Term; and

(vii) should Company Permit Executive to use any of Company's equipment, tools, or facilities during the Term, such permission shall be gratuitous and Executive shall be responsible for any injury to any person (including death) or damage to property (including Company's property) arising out of use of such equipment, tools or facilities.

11. Confidentiality

(a) Definition. For purposes of this Agreement, "Confidential Information" shall mean all Company Work Product and all non-public written, electronic, and oral information or materials of Company communicated to or otherwise obtained by Executive in connection with this Agreement, which is related to the products, business and activities of Company, its Affiliates (as defined below), and subsidiaries, and their respective customers, clients, suppliers, and other entities with which such party does business, including: (i) all costing, pricing, technology, software, documentation, research, techniques, procedures, processes, discoveries, inventions, methodologies, data, tools, templates, know how, intellectual property and all other proprietary information of Company; (ii) the terms of this Agreement; and (iii) any other information identified as confidential in writing by Company. Confidential Information shall not include information that: (a) was lawfully known by Executive without an obligation of confidentiality before its receipt from Company; (b) is independently developed by Executive without reliance on or use of Confidential Information; (c) is or becomes publicly available without a breach by Executive of this Agreement; or (d) is disclosed to Executive by a third party which is not required to maintain its confidentiality. An "Affiliate" of a Party shall mean any entity directly or indirectly controlling, controlled by, or under common control with, such Party at any time during the Term for so long as such control exists.

(b) Company Ownership. Company shall retain all right, title, and interest to the Confidential Information, including all copies thereof and all rights to patents, copyrights, trademarks, trade secrets and other intellectual property rights inherent therein and appurtenant thereto. Subject to the terms and conditions of this Agreement, Company hereby grants Executive a non-exclusive, non-transferable, license during the Term to use any Confidential Information solely to the extent that such Confidential Information is necessary for the performance of Executive's duties hereunder. Executive shall not, by virtue of this Agreement or otherwise, acquire any proprietary rights whatsoever in Confidential Information, which shall be the sole and exclusive property and confidential information of Company. No identifying marks, copyright or proprietary right notices may be deleted from any copy of Confidential Information. Nothing contained herein shall be construed to limit the rights of Company from performing similar services for, or delivering the same or similar deliverable to, third parties using the Confidential Information and/or using the same personnel to provide any such services or deliverables.

(c) Confidentiality Obligations. Executive agrees to hold the Confidential Information in confidence and not to copy, reproduce, sell, assign, license, market, transfer, give or otherwise disclose such Confidential Information to any person or entity or to use the Confidential Information for any purposes whatsoever, without the express written permission of Company, other than disclosure to Executive's, partners, principals, directors, officers, employees, subcontractors and agents on a "need-to-know" basis as reasonably required for the performance of Executive's obligations hereunder or as otherwise agreed to herein. Executive shall be responsible to Company for any violation of this Section 11 by Executive's employees, subcontractors, and agents. Executive shall maintain the Confidential Information with the same degree of care, but no less than a reasonable degree of care, as Executive employs concerning its own information of like kind and character.

(d) Required Disclosure. If Executive is requested to disclose any of the Confidential Information as part of an administrative or judicial proceeding, Executive shall, to the extent permitted by applicable law, promptly notify Company of that request and cooperate with Company, at Company's expense, in seeking a protective order or similar confidential treatment for the Confidential Information. If no protective order or other confidential treatment is obtained, Executive shall disclose only that portion of Confidential Information which is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information which is required to be disclosed.

(e) Enforcement. Executive acknowledges that the Confidential Information is unique and valuable, and that remedies at law will be inadequate to protect Company from any actual or threatened breach of this Section 11 by Executive and that any such breach would cause irreparable and continuing injury to Company. Therefore, Executive agrees that Company shall be entitled to seek equitable relief with respect to the enforcement of this Section 11 without any requirement to post a bond, including, without limitation, injunction and specific performance, without proof of actual damages or exhausting other remedies, in addition to all other remedies available to Company at law or in equity. For greater clarity, in the event of a breach or threatened breach by Executive of any of the provisions of this Section 11, in addition to and not in limitation of any other rights, remedies or damages available at law or in equity, Company shall be entitled to a permanent injunction or other like remedy in order to prevent or restrain any such breach or threatened breach by Executive, and Executive agrees that an interim injunction may be granted against Executive immediately on the commencement of any action, claim, suit or proceeding by Company to enforce the provisions of this Section 11, and Executive further irrevocably consents to the granting of any such interim or permanent injunction or any like remedy. If any action at law or in equity is necessary to enforce the terms of this Section 11, Executive, if it is determined to be at fault, shall pay Company's reasonable legal fees and expenses on a substantial indemnity basis.

(f) Related Duties. Executive shall: (i) promptly deliver to Company upon Company's request all materials in Executive's possession which contain Confidential Information; (ii) use its best efforts to prevent any unauthorized use or disclosure of the Confidential Information; (iii) notify Company in writing immediately upon discovery of any such unauthorized use or disclosure; and (iv) cooperate in every reasonable way to regain possession of any Confidential Information and to prevent further unauthorized use and disclosure thereof.

(g) Legal Exceptions. Further notwithstanding the foregoing provisions of this Section 11, Executive may disclose confidential information as may be expressly required by law, governmental rule, regulation, executive order, court order, or in connection with a dispute between the Parties; provided that prior to making any such disclosure, Executive shall use its best efforts to: (i) provide Company with at least fifteen (15) days' prior written notice setting forth with specificity the reason(s) for such disclosure, supporting documentation therefor, and the circumstances giving rise thereto; and (ii) limit the scope and duration of such disclosure to the strictest possible extent.

(h) Limitation. Except as specifically set forth herein, no licenses or rights under any patent, copyright, trademark, or trade secret are granted by Company to Executive hereunder, or are to be implied by this Agreement. Except for the restrictions on use and disclosure of Confidential Information imposed in this Agreement, no obligation of any kind is assumed or implied against either Party or their Affiliates by virtue of meetings or conversations between the Parties hereto with respect to the subject matter stated above or with respect to the exchange of Confidential Information. Each party further acknowledges that this Agreement and any meetings and communications of the Parties and their affiliates relating to the same subject matter shall not: (i) constitute an offer, request, invitation or contract with the other Party to engage in any research, development or other work; (ii) constitute an offer, request, invitation or contract involving a buyer-seller relationship, joint venture, teaming or partnership relationship between the Parties and their affiliates; or (iii) constitute a representation, warranty, assurance, guarantee or inducement with respect to the accuracy or completeness of any Confidential Information or the non-infringement of the rights of third persons.

12. Effect of Waiver. The waiver by either Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach hereof. No waiver shall be valid unless in writing.
13. Assignment. This Agreement may not be assigned by either Party without the express prior written consent of the other Party hereto, except that the Company (i) may assign this Agreement to any subsidiary or affiliate of the Company, provided that no such assignment shall relieve the Company of its obligations hereunder without the written consent of the Executive, and (ii) will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise. This Agreement shall inure to the benefit of, and shall be binding upon, the successors and permitted assigns of the Parties.
14. No Third-Party Rights. Except as expressly provided in this Agreement, this Agreement is intended solely for the benefit of the Parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person or entity other than the Parties hereto.
15. Entire Agreement; Effectiveness of Agreement. This Agreement sets forth the entire agreement of the Parties hereto and shall supersede any and all prior agreements and understandings concerning the Executive's employment by the Company. This Agreement may be changed only by a written document signed by the Executive and the Company. Notwithstanding the foregoing, this Agreement shall not supercede or replace any agreement entered into between the Company and the Executive with respect to any plan or benefit described in Section 2(f).
16. Survival. The provisions of Section 4, Section 5, Section 6, Section 7, Section 9, this Section 16, Section 18 and Section 19 shall survive any termination or expiration of this Agreement.
17. Severability. If any one or more of the provisions, or portions of any provision, of the Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions or parts hereof shall not in any way be affected or impaired thereby.
18. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE SUBSTANTIVE AND PROCEDURAL LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO RULES GOVERNING CONFLICTS OF LAW.

19. Arbitration.

(a) Other than as set forth in Section 7, any controversy, claim or dispute arising out of or relating to this Agreement or the Executive's employment by the Company, including, but not limited to, common law and statutory claims for discrimination, wrongful discharge, and unpaid wages, shall be resolved by arbitration in Charlotte, North Carolina pursuant to then prevailing National Rules for the Resolution of Employment Disputes of the American Arbitration Association. The arbitration shall be conducted by three arbitrators, with one arbitrator selected by each Party and the third arbitrator selected by the two arbitrators so selected by the Parties. The arbitrators shall be bound to follow the applicable Agreement provisions in adjudicating the dispute. It is agreed by both Parties that the arbitrators' decision is final, and that no Party may take any action, judicial or administrative, to overturn such decision. The judgment rendered by the arbitrators may be entered in the Selected Courts. Each Party will pay its own expenses of arbitration and the expenses of the arbitrators will be equally shared provided that, if in the opinion of the arbitrators any claim, defense, or argument raised in the arbitration was unreasonable, the arbitrators may assess all or part of the expenses of the other Party (including reasonable attorneys' fees) and of the arbitrators as the arbitrators deem appropriate. The arbitrators may not award either Party punitive or consequential damages.

(b) WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

20. Indemnification. During the Term, the Executive shall be entitled to indemnification and insurance coverage for directors' and officers' liability, fiduciary liability and other liabilities arising out of the Executive's position with the Company in any capacity, in an amount not less than the highest amount available to any other senior level executive or member of the Board and to the full extent provided by the Company's certificate of incorporation or by-laws, and such coverage and protections, with respect to the various liabilities as to which the Executive has been customarily indemnified prior to termination of employment, shall continue for at least six years following the end of the Term. Any indemnification agreement entered into between the Company and the Executive shall continue in full force and effect in accordance with its terms following the termination of this Agreement.

21. Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party, or by registered or certified mail, return receipt requested, postage prepaid, or by email with return receipt requested and received or nationally recognized overnight courier service, addressed as set forth below or to such other address as either Party shall have furnished to the other in writing in accordance herewith. All notices, requests, demands and other communications shall be deemed to have been duly given (i) when delivered by hand, if personally delivered, (ii) when delivered by courier or overnight mail, if delivered by commercial courier service or overnight mail, and (iii) on receipt of confirmed delivery, if sent by email.

If to the Company: Life Clips, Inc.
Attn: Huey Long
Harbour Centre 18851 NE 29th Ave.
Suite 700
Aventura, FL 33180
Email: Hlong@lifeclips.com

If to Executive:
Victoria Rudman
Life Clips, Inc.
18851 NE 29th Ave.
Suite 700 PMB# 348
Aventura, FL 33180

22. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.
23. Rule of Construction. The general rule of construction for interpreting a contract, which provides that the provisions of a contract should be construed against the Party preparing the contract, is waived by the Parties hereto. Each Party acknowledges that such Party was represented by separate legal counsel in this matter who participated in the preparation of this Agreement or such Party had the opportunity to retain counsel to participate in the preparation of this Agreement but elected not to do so.
24. Execution in Counterparts, Electronic Transmission. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. The signature of any party to this Agreement which is transmitted by any reliable electronic means such as, but not limited to, a photocopy, electronically scanned or facsimile machine, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature or an original document.

[Signatures appear on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

Life Clips, Inc.

By: /s/ Huey Long

Name: Huey Long

Title: Chief Executive Officer

Victoria Rudman

By: /s/ Victoria Rudman

Victoria Rudman

Life Clips, Inc.

Subsidiaries of the Registrant

Name	Jurisdiction of Incorporation
Butterfly Energy, LTD.	Israel
Klear Kapture, Inc.	Delaware

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Victoria Rudman, certify that:

- 1) I have reviewed this Annual report on Form 10-K for the fiscal year ended June 30, 2017 of Life Clips, Inc. on Form 10-K;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- 4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure the material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation.
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: April 3, 2018

/s/ Victoria Rudman

Victoria Rudman
Chief Executive Officer (Principal Executive Officer) and Chief Financial
Officer (Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Life Clips, Inc. (the Company”) on Form 10-K for the fiscal year ended June 30, 2017 as filed with the Securities and Exchange Commission (the “Report”), I, Victoria Rudman, Interim Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

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

Life Clips, Inc.

Date: April 3, 2018

By: /s/ Victoria Rudman

Victoria Rudman

Chief Financial Officer (Principal Financial and Accounting Officer)
