

ANNUAL REPORT OF
CONNEXUS CORPORATION
FOR THE YEAR ENDED JUNE 30, 2016

A NEVADA CORPORATION

211 Greenwood Avenue, Bethel, CT 06801

(203) 702-1821

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ITEM 1. EXACT NAME OF THE ISSUER AND ITS PREDECESSORS

The exact name of the company is Connexus Corporation

The company was originally incorporated as Dynamic Alert Limited (“the Company”) in the State of Nevada, on June 17, 2004. On December 22, 2009, as amended February 25, 2010, pursuant to the provisions of Articles of Merger, Dynamic Alert Limited, and its wholly-owned subsidiary, Brazil Gold Corp., a Nevada Corporation which was incorporated on November 3, 2009, were merged, with Dynamic Alert Limited being the surviving entity. In connection with such merger, on March 15, 2010, the Company’s name was changed from Dynamic Alert Limited to Brazil Gold Corp.

We changed our corporate name to Conexus Cattle Corp. on June 10, 2014. On May 13, 2015, Conexus Cattle Corp., a Nevada corporation (the “Company”), Bitcoin Direct LLC, a Nevada limited liability company (“Bitcoin”) and all of the members of Bitcoin, entered into a Securities Exchange Agreement, pursuant to which the Company acquired memberships interests representing 51% of Bitcoin in exchange for 500 shares of the Company’s Series H Preferred (as defined below), with an aggregate stated value equal to \$500,000 (the “Exchange Agreement”).

ITEM 2. ADDRESS OF THE ISSUER’S PRINCIPAL EXECUTIVE OFFICES

A. Company Headquarters

Our principal executive and administrative offices are located at 211 Greenwood Avenue, Bethel, CT 06801

ITEM 3. SECURITY INFORMATION

Trading symbol: CNXS

CUSIP: 105762207

Exact title and class of securities outstanding:

As of the year ended June 30, 2016, the capital stock of the company was as follows:

Class: Common stock, \$ 0.001 par value;

Number of shares authorized: 10,000,000,000 shares;

Number of shares outstanding: 40,764,557 issued and outstanding;

Transfer Agent: Empire Stock Transfer, Inc.
1859 Whitney Mesa Drive
Henderson, NV 89014

Telephone: (702) 818-5898

FAX: (718) 627-6341

Is the transfer agent registered under the Exchange Act?

Yes.

List any restrictions on the transfer of security:

None.

Describe any trading suspension orders issued by the SEC in the past 12 months:

None.

ITEM 4. ISSUANCE HISTORY

During the year ended June 30, 2016, the following issuances of securities occurred

Issuance of common stock

On August 6, 2015 the Company issued 500,000 shares of restricted common stock to a law firm pursuant to an agreement executed in July 2015. The issuance was valued at \$800 based on the grant date value of \$0.0016 per share

Issuance of Preferred Stock

On August 5, 2015, the Company issued to Southridge II, a related party, 25 shares of the Company's Series G convertible preferred stock for cash consideration of \$25,000.

Conversion of Convertible Notes into Shares of Common Stock

From July 1, 2015 through June 30, 2016, two note holders requested to convert principal plus accrued interest and fees totaling \$5,020 into the Company's common stock. The Company issued an aggregate of 12,644,985 shares of common stock in connection with such conversions.

From July 1, 2016 through February 23, 2017, the Company has not issued any additional shares of common stock.

The issuance of the shares of common stock upon conversion of the convertible notes was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

Issuance of Convertible Debt

- a) On July 1, 2015 the Company issued a convertible promissory note in the principal amount of \$1,000 to Southridge II, a related party as payment of consulting fees as per the terms of a consulting agreement entered into on May 1, 2015. The convertible note matures on January 31, 2016 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any

accrued but unpaid interest.

- b) On August 1, 2015 the Company issued a convertible promissory note in the principal amount of \$1,000 to Southridge II, a related party as payment of consulting fees as per the terms of a consulting agreement entered into on May 1, 2015. The convertible note matures on February 28, 2016 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any accrued but unpaid interest.

- c) On August 17, 2015 the Company issued a convertible promissory note in the principal amount of \$40,000 to Southridge II, a related party. The convertible note matures on February 28, 2016 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any accrued but unpaid interest.

- d) On September 10, 2015 the Company issued a convertible promissory note in the principal amount of \$6,500 to Southridge II, a related party. The convertible note matures on February 28, 2016 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any accrued but unpaid interest.

- e) On September 23, 2015 (the "Effective Date"), the Company entered into a loan agreement ("credit facility") for the principal sum of \$250,000. The components of the credit facility are \$225,000 proceeds of the loan plus \$25,000 original issue discount. The maturity date is two years from the effective date of each draw made by the Company. The loan and accrued interest are to be paid on the maturity date. In addition after 90 days that the amount drawn is outstanding a one-time interest charge of 12% will be charged and added to the principal sum. The promissory note contains conversion clauses that allow the lender, at any time after the Effective Date, the option to convert the amount payable plus all accrued and unpaid interest due under the agreement into common stock at a conversion price per share of the lesser of \$0.0014 or 60% of the lowest trade price in the 25 trading days preceding the conversion.

The Company received net cash proceeds of \$25,000 upon entering the agreement on September 23, 2015 and recorded an original issue discount of \$2,778 in connection with this transaction. The original issue discount will be accreted through the maturity date of the loan.

ITEM 5. FINANCIAL STATEMENTS:**Connexus Corporation
Consolidated Balance Sheets
(Unaudited)**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 17,897	\$ 85,687
Digital currencies	-	3,895
Total Current Assets	<u>17,897</u>	<u>89,582</u>
NON-CURRENT ASSETS		
Property and Equipment, net	35,959	41,970
License agreement	<u>10,000</u>	<u>10,000</u>
Total Non-current assets	<u>45,959</u>	<u>51,970</u>
Total Assets	<u>\$ 63,856</u>	<u>\$ 141,552</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 92,422	\$ 280,369
Accrued expenses	311,943	240,029
Accrued Interest	59,034	34,038
Advances payable		42,940
Due to officer		2,600
Derivative liability - current	967,882	559,900
Notes payable- Non-convertible		116,852
Convertible debentures, net	<u>312,815</u>	<u>518,573</u>
Total Current Liabilities	<u>1,744,096</u>	<u>1,795,301</u>
LONG-TERM LIABILITIES:		
Convertible debentures, net -non-current	249,163	12,008
Derivative liability- non-current	246,481	-
Note due to Officer	<u>148,226</u>	<u>-</u>
Total Long-Term Liabilities	<u>643,870</u>	<u>12,008</u>
Total Liabilities	<u>2,387,966</u>	<u>1,807,309</u>

STOCKHOLDERS' DEFICIT:

Preferred stock Series B, \$0.001 par value, 8% dividend: 13,000 shares authorized; -0- shares outstanding at June 30, 2016 and June 30, 2015	-	-
Preferred stock Series C, \$0.001 par value, 8% dividend: 7,000 shares authorized; -0- and 7,000 shares outstanding at June 30, 2016 and June 30, 2015	-	7
Preferred stock Series D, \$0.001 par value, 8% dividend: 13,000 shares authorized; -0- and 13,000 shares issued and outstanding at June 30, 2016 and June 30, 2015	-	13
Preferred stock Series E, \$0.001 par value: 440 shares authorized; 440 and 432.5 shares issued and authorized at June 30, 2016 and June 30, 2015, respectively	-	-
Preferred stock Series F, \$0.001 par value: 51 shares authorized; 51 shares issued and outstanding at June 30, 2016 and June 30, 2015, respectively	-	-
Preferred stock Series G, \$0.001 par value, 8% dividend: 1,500 shares authorized; 277 and 242 shares issued and authorized at June 30, 2016 and 2015	0	-
Preferred stock Series H, \$0.001 par value, 8% dividend: 500 shares authorized and outstanding at June 30, 2016 and June 30, 2015	-	-
Common stock at \$0.001 par value: 10,000,000,000 shares authorized; 40,764,557 and 21,119,572 outstanding at June 30, 2016 and June 30, 2015, respectively	40,764	21,119
Additional paid-in capital	19,727,759	19,293,867
Treasury stock, at cost, 7.5 shares of Series E preferred stock	(7,500)	
Accumulated deficit	(22,045,432)	(21,003,073)
Accumulated other comprehensive income (loss):	(2,284,409)	(1,688,066)
Foreign currency translation gain (loss)	(39,701)	22,309
Total Stockholders' Deficit	(2,324,110)	(1,665,757)
Non-controlling interests		
Total Deficit	\$ 63,856	\$ 141,552

INCOME TAX PROVISION	-	-
NET INCOME (LOSS)	(1,104,370)	1,013,426
NET (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTEREST	62,010	(10,059)
NET INCOME AFTER NON-CONTROLLING INTEREST	(1,042,359)	1,003,367
FORFEITURE OF ACCRUED DIVIDENDS TO PREFERRED HOLDERS		
DIVIDEND ON PREFERRED STOCK	(1,248,120)	(286,955)
NET INCOME (LOSS) APPLICABLE TO COMMON STOCKHOLDERS	\$ (2,290,479)	\$ 716,412

Connexus Corporation
Consolidated Statements of Cash Flows

	(Unaudited) For the Twelve Months Ended June 30, 2016	(Audited) For the Twelve Months Ended June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET (LOSS) BEFORE ALLOCATION TO NON-CONTROLLING INTEREST	\$ (1,104,370)	\$ 1,013,426
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	6,011	625
Loss on investment in unconsolidated subsidiary	-	55,000
Loss on obsolete inventory	-	6,000
Loss on note receivable	-	12,000
Stock-based compensation	800	
Convertible notes issued for services	2,000	72,000
Professional fees and accrued interest - note conversions	-	21,979
Preferred stock issued for services	-	51
Amortization of discount on convertible debt	128,312	272,384
Accretion of original issue discount	2,826	
(Gain)/Loss on settlement of debt	14,041	
(Gain)/Loss on settlement of accounts payable	-	(84,786)
Gain on Elimination of liabilities	(95,717)	
Loss on settlement of 3(A) 10 Program	-	12,388
(Income) Expenses Associated with Conversion feature of Preferred Stock	148,226	(1,390,456)
Derivative expense	244,123	198,494
Change in fair value of derivative liabilities	307,346	(946,140)
Change in fair value of digital currencies	61	(3,895)
Common stock issued for interest and expenses associated with interest	580	
Changes in operating assets and liabilities:		
Digital currencies	3,834	
Accounts payable	(48,402)	564,866
Accrued dividends payable	-	
Accrued expenses	156,121	190,859
Accrued interest	24,996	

NET CASH USED IN OPERATING ACTIVITIES	<u>(209,212)</u>	<u>(5,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>-</u>	<u>(27,595)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>(27,595)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from officer loans	(2,600)	2,600
Proceeds from demand loans - related party	10,000	
Proceeds from preferred stock	25,000	35,000
Repurchase of Series E Preferred Stock	(7,500)	
Interest expense to related party	342	
Proceeds from promissory notes		2,965
Proceeds from convertible debentures	<u>116,180</u>	<u>42,578</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>141,422</u>	<u>83,143</u>
NET CHANGE IN CASH	(67,790)	50,343
Cash at beginning of period	<u>85,687</u>	<u>35,344</u>
Cash at end of period	<u>\$ 17,897</u>	<u>\$ 85,687</u>

CONNEXUS CORPORATION
JUNE 30, 2016
NOTES TO FINANCIAL STATEMENTS

NOTE 1- NATURE OF OPERATIONS

Nature of Operations

The company was originally incorporated as Dynamic Alert Limited ("the Company") in the State of Nevada, on June 17, 2004. The Company was incorporated in the state of Nevada February, 1999.

The Company focuses on providing bitcoin solutions to consumers in the United States through Bitcoin Automated Teller Machines ("Bitcoin ATMs"). We currently own seven Bitcoin ATMs. During the period, there were four operating Bitcoin ATMs located in Las Vegas, Nevada at the LINQ Hotel and Casino, Sin City Vape, One Kicks Gym, and McFadden's Restaurant and Saloon. We also had three operating machines in New Jersey. Through our Bitcoin ATMs we intend to generate revenue from transaction fees charged to consumers who purchase or sell bitcoin using our machine. We may also generate revenue from the margin between our cost of bitcoins and the selling price of bitcoins.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America.

NOTE 3- ACQUISITION OF BITCOIN DIRECT

On May 13, 2015, Conexus Cattle Corp., a Nevada corporation (the "Company"), Bitcoin Direct LLC, a Nevada limited liability company ("Bitcoin") and all of the members of Bitcoin, entered into a Securities Exchange Agreement, pursuant to which the Company acquired memberships interests representing 51% of Bitcoin in exchange for 500 shares of the Company's Series H Preferred (as described herein), with an aggregate stated value equal to \$500,000 (the "Exchange Agreement"). In accordance with the terms of the Exchange Agreement, the Company has agreed to provide a working capital facility to Bitcoin in an amount up to \$300,000 to be utilized by Bitcoin as needed and to be repaid by Bitcoin from working capital generated from Bitcoin's operations. In addition, the Exchange Agreement provides an option to the members of Bitcoin for a period of five years to repurchase from the Company 10% of the Bitcoin membership interests held by the Company for \$250,000.

NOTE 4 – ACCRUED EXPENSES

Accrued Expenses at June 30, 2016 and June 30, 2015 represent the following:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Professional and legal Expenses	\$ 231,814	\$ 61,484
Management comp.	-	39,700
Accrued rent	-	24,540
Legacy payables from predecessor entities	<u>80,129</u>	<u>114,305</u>
Total	<u>\$311,943</u>	<u>\$240,129</u>

During the most recent quarter, management compensation and accrued rent were transferred to notes payable.

NOTE 5- DERIVATIVE LIABILITIES

The Company uses the Binomial lattice model for determining derivative liability values. Derivative liabilities were calculated on all convertible securities not at fixed prices.

NOTE 6 – CONVERTIBLE DEBENTURES, NET

See *Issuance History*, Item 4. above, for Notes issued during the current fiscal year.

Balances of convertible debt are as follows: .

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Total debt outstanding	\$ 577,268	\$ 549,216
Less: Unamortized discount	<u>15,390</u>	<u>18,635</u>
Total convertible debt	561,978	530,581
Less: Long-term debentures	<u>249,163</u>	<u>12,008</u>
Short term debentures, net	<u>\$ 312,815</u>	<u>\$ 518,573</u>

During the current quarter, approximately \$250,000 in debt was renegotiated from current to long term.

From July 1, 2015 through June 30, 2016, two note holders requested to convert principal plus accrued interest and fees totaling \$3,935 into the Company's common stock. The Company issued an aggregate of 9,559,271 shares of common stock in connection with such conversions.

NOTE 7- SERIES G PREFERRED STOCK

During the year ended June 30, 2015, the Company exchanged \$242,000 of convertible debt for 242 shares of newly issued Series G Preferred stock. In August 2015, the Company issued 25 shares for cash. There are 277 shares outstanding.

NOTE 8: SUBSEQUENT EVENTS

Issuance of Debt

Subsequent to June 30, 2016, the Company has issued the following securities:

- a) On July 3, 2016 the Company issued a convertible promissory note in the principal amount of \$750 for proceeds to be used for general corporate purposes; the convertible note matures on December 31, 2016 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any accrued but unpaid interest.
- b) On July 3, 2016 the Company issued a convertible promissory note in the principal amount of \$5,000 for proceeds to be used for general corporate purposes; the convertible note matures on January 31, 2017 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any accrued but unpaid interest.
- c) On September 19, 2016 the Company issued a convertible promissory note in the principal amount of \$1,000 to be used for general corporate purposes. The convertible note matures on March 31, 2017 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any accrued but unpaid interest.
- d) On March 1, 2017, the Company issued a convertible promissory note in the principal amount of \$1,000 to be used for general corporate purposes. The convertible note matures on September 30, 2017 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing

bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any accrued but unpaid interest.

- e) On March 3, 2017, the Company issued a convertible promissory note in the principal amount of \$1,000 to be used for general corporate purposes. The convertible note matures on September 30, 2017 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any accrued but unpaid interest.
- f) On April 5, 2017, the Company issued a convertible promissory note in the principal amount of \$2,500 to be used for general corporate purposes. The convertible note matures on April 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion. The conversion price is subject to anti-dilution protection and down round provisions in the event that the Company issues additional equity securities at a price less than the conversion price. For interest that accrues pursuant to the terms of the note, the conversion price shall be at \$0.001, regardless of the trading price. The Company may prepay the note at 150% of the entire outstanding principal amount of the note plus any accrued but unpaid interest.

Retirement of preferred stock, debt and other liabilities

Subsequent to June 30, 2016, the Company has issued 375,869,776 shares for the retirement of \$242,000 of Series G Preferred Stock, \$90,954 of convertible debt, \$16,482 in accrued dividends and \$19,252 of accrued interest.

ITEM 6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.

A. DESCRIPTION OF ISSUER'S BUSINESS OPERATIONS.

State of Operations

The Company focuses on providing bitcoin solutions to consumers in the United States through Bitcoin Automated Teller Machines ("Bitcoin ATMs"). We currently own seven Bitcoin ATMs. Four are located in the Las Vegas area and three are in New Jersey. Through our Bitcoin ATMs we intend to generate revenue from transaction fees charged to consumers who purchase or sell bitcoin using our machine. We may also generate revenue from the margin between our cost of

bitcoins and the selling price of bitcoins. We are currently evaluating options to redeploy our machines into areas whereby we can get greater leverage for our assets.

Endorsement Agreement with Mike Tyson

In March 2015, Bitcoin Brands Inc. ("Bitcoin Brands") and Tyrannic, LLC, owned and operated by Michael G. Tyson ("Tyson") entered into a License Agreement (the "License Agreement") for the exclusive license to use Tyson's name, image, likeness and endorsement solely in connection with the proposed advertisement, promotion and sale of branded Bitcoin ATM kiosks and machines throughout the world (the "License"). As consideration for the License, Bitcoin Brands shall pay to Tyson 50% of the aggregate of all sales of (i) bitcoin kiosks, automated machines and Bitcoin ATM's that bear Tyson's name, image, or likeness and/or endorsement of Tyson (the "Licensed Products") and (ii) the aggregate of all bitcoin kiosk, automated machine and Bitcoin ATM fees that Bitcoin Brands realizes by the use of the Licensed Products. The term of the License Agreement shall be five (5) years from March 15, 2015, and concluding on March 15, 2020. According to the terms and conditions of the License Agreement, in the event that Tyson has not received at least \$1,000,000 during the first two years of the term, Tyson shall have the right to terminate the License Agreement by notice to Bitcoin Brands, which termination shall take effect thirty days following the date of such notice.

On May 15, 2015, Bitcoin Brands Inc. and Bitcoin Direct LLC entered into an Assignment Agreement to assign the License Agreement with Tyson to our subsidiary Bitcoin Direct LLC.

Introduction to Bitcoins and the Bitcoin Network

A bitcoin is a form of digital currency that is issued and transmitted through an open source math-based protocol platform using security that is cryptographic and known as the "Bitcoin Network." The Bitcoin Network is an online, peer-to-peer user network that hosts the "Blockchain" or public transaction ledger and the source code that comprises the basis for the cryptography and math-based protocols governing the Bitcoin Network. There is no single entity which owns or operates the Bitcoin Network. The Bitcoin Network is collectively maintained by a decentralized user base. Bitcoins may be used to pay for goods and services or can be converted to fiat currencies, such as the US Dollar, at rates determined on Bitcoin Exchanges or in individual end-user-to-end-user transactions under a barter system.

The Bitcoin Network is decentralized and does not rely on either governmental authorities or financial institutions to create, transmit or determine the value of bitcoins. Rather, bitcoins are created and allocated by the Bitcoin Network protocol through a "mining" process subject to a strict, well-known issuance schedule. The value of bitcoins is determined by the supply of and demand for bitcoins in the Bitcoin Exchange Market (and in private end-user-to-end-user transactions), as well as the number of merchants that accept them. As bitcoin transactions can be broadcast to the Bitcoin Network by any user's bitcoin software and bitcoins can be transferred without the involvement of intermediaries or third parties, there are little or no transaction costs in direct peer-to-peer transactions on the Bitcoin Network. Third party service providers such as Bitcoin Exchanges and bitcoin third party payment processing services may charge significant fees for processing transactions and for converting, or facilitating the conversion of, bitcoins to or from fiat currency.

In order to own, transfer or use bitcoins, a person generally must have Internet access to connect to the Bitcoin Network. Bitcoin transactions between parties occur very rapidly (within several seconds) and may be made directly between end-users without the need for a third-party

intermediary, although there are entities that provide third-party intermediary services. To prevent the possibility of double-spending a single bitcoin, a user must notify the Bitcoin Network of the transaction by broadcasting the transaction data to its network peers.

The history of Bitcoin

In November 2008, a paper was posted to a cryptography mailing list⁽¹⁰⁾ under the name Satoshi Nakamoto titled *Bitcoin: A Peer-to-Peer Electronic Cash System*. This paper detailed methods of using a peer-to-peer network to generate what was described as "a system for electronic transactions without relying on trust". In January 2009, the bitcoin network came into existence with the release of the first open source bitcoin client and the issuance of the first bitcoins,

While there have been ebbs and flows in the history of Bitcoin pricing, at the date of this report, Bitcoin trades near its all-time of approximately \$2,925. The total value of Bitcoin in circulation is now almost \$50 billion. At its inception, each Bitcoin was pegged a price of \$1 so the increase in the currency has been substantial. While the change in pricing is due to supply and demand, some factors have clearly been instrumental in the movement of the currency:

- a. Fixed amount of currency- Worldwide budget deficits have grown at greater levels than GDP since the inception of Bitcoin, the amount of bitcoin has remained constant;
- b. Acceptance by countries and general population-Recently, large countries such as Russia, South Korea and China have accepted cryptocurrencies as legitimate tender for settling transactions which have increased the demand for Bitcoin;
- c. Currency controls- Recent moves, such as India's elimination of the 500 rupee and 1,000 rupee notes have resulted in increased demand for a digital currency

B. DATE AND STATE OF INCORPORATION

The Company was incorporated in the State of Nevada on June 17, 2004

C. PRIMARY AND SECONDARY SIC CODES

The Company's primary (and only) SIC code is 5063 (Holding Companies).

D. THE COMPANY'S FISCAL YEAR END DATE

The Company's fiscal year ends on June 30.

E. PRINCIPAL PRODUCTS OR SERVICES AND THEIR MARKETS

The Company primarily places their machines in areas whereby the demand for bitcoin would be greatest. The Company's Las Vegas locations target the gaming sector where people can get ready access to cash to engage in a wide variety of gaming activities. The same holds true for its New Jersey locations due to the proximity to Atlantic City as well as greater acceptance of Bitcoin in the New York Metro Area where it is often used by the Financial sector.

F. RESULTS OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2016 COMPARED TO THE YEAR ENDED JUNE 30, 2015:

Material Changes in Financial Condition

At June 30, 2016, we had a working capital deficit of (\$1,727,416), compared to a working capital deficit of (\$1,705,719), at June 30, 2015. At June 30, 2016, our assets consisted of cash of \$16,680 Property and equipment net of \$35,959 and License agreement of \$10,000. Our assets as of June 30, 2015 consisted of cash of \$85,687, Digital currencies of \$3,895, Property and equipment net of \$41,970 and License agreement of \$10,000.

At June 30, 2016, our total current liabilities decreased to \$1,744,096 (from \$1,795,301 at June 30, 2015) the decrease was due to the following:

	In \$K
Reclassification of certain debt instruments from Current to long term from one creditor with the associated derivative liability;	\$ (250)
Reclassification of amounts owed to Chief Executive as back salary	(58)
Reversal of accounts payable associated with Connexus Cattle	(188)
Increased derivative liability on current debt	408
Increased accrued expenses due to legal accruals and accrued interest	72
Other	<u>(37)</u>
Total	<u>(50)</u>

Since our existing cash balance is \$16,680, we currently do not have sufficient funds to carry out normal operations over the next six (6) months. Our short and long-term survival is dependent on funding from sales of securities as necessary or from shareholder loans, and thus, to the extent that we require additional funds to support our operations or the expansion of our business, we may attempt to sell additional equity shares or issue debt. Any sale of additional equity securities will result in dilution to our stockholders. Recent events in worldwide capital markets may make it more difficult for us to raise additional equity or capital. There can be no assurance that additional financing, if required, will be available to us or on acceptable terms.

Material Changes in Results of Operations

Results of Operations for the year ended June 30, 2016 and 2015

Revenues

On May 13, 2015, we acquired a 51% interest in Bitcoin Direct LLC. During the year ended June 30, 2016 we recognized surcharge revenue of (\$11,172) and digital currency losses of \$(32,976). We recognized revenue of \$23,718 for the partial period ended June 30, 2015.

Operating Expenses

For the year ended June 30, 2016, operating expenses were \$421,376 compared to \$918,685 during the year ended June 30, 2015. The overall \$497,309 decrease in operating expenses is primarily attributable to the following approximate net increase (decreases) in operating expenses:

- Consulting fees were \$2,000 for the twelve months ended June 30, 2016 compared to \$72,000 for the twelve months ended June 30, 2015. The consulting agreement which was terminated in 2014 was reinstated in the middle of January 2015.
- Rent expense was \$10,000 for the three months ended June 30, 2016 compared to \$46,748, for the year ended June 30, 2015. The decrease was due to the Company no longer paying rent related to its cattle operations during the current period. In addition the Company entered into a new lease agreement related to its bitcoin operations in September 2015. Total rent is \$1,000 per month.
- Professional fees were \$185,737 for the year ended June 30, 2016 compared to \$268,155 for the year ended June 30, 2015. The decrease was due predominately to the legal expense incurred with the Connexus Cattle acquisition in the prior period. The Company terminated its cattle operations during the quarter ended June 30, 2016.
- Compensation expense was \$164,360 for the current year compared to \$395,940 for the prior year, a decrease of \$231,580. During the year months ended June 30, 2016 the Company incurred salaries of \$30,000 related to its Chief Executive Officer. During the year ended June 30, 2015 the Company incurred salaries of \$105,417 related to its cattle operations which were not incurred during the current period.
- General and administrative expenses were \$7,624 for the three months ended June 30, 2016 compared to \$28,996 for the three months ended June 30, 2015, a decrease of \$21,372. The company incurred approximately \$7,000 (including \$1,502 in depreciation expense on Bitcoin machines) during the three months ended June 30, 2016. The Company's Bitcoin operation was not in effect during the quarter ended June 30, 2015. During the quarter ended June 30, 2015, the company had greater expenses associated with audit, transfer agent and debt conversion fees.

Other Income (Expense) – net: Other income (expenses) consist primarily of gains and losses on the change in fair value of derivative liabilities, derivative expense, gains and losses on extinguishment of debt and interest expense all primarily related to the Company's conventional and convertible promissory notes and convertible preferred stock.

Other income (expenses) - net decreased by \$2,548,455 to \$(640,062) during the twelve months ended June 30, 2016 as compared to other income (expenses) - net of \$1,908,393 during the twelve months ended June 30, 2015. For the twelve months ended June 30, 2016 other income (expenses) consisted of (\$244,123) in derivative expense, \$(170,269) in interest expense, \$(14,041) on loss of settlement of debt and a loss on change in fair value of derivative liability of \$(307,346). These losses were offset by a \$95,717 gain on elimination of liabilities through

exchange agreements. For the twelve months ended June 30, 2015 other income (expenses) consisted of derivative expense on new note issuances of \$(198,494), \$(302,107) in interest expense, a gain on settlement of debt of \$84,736, a loss on the 3a10 program of \$(12,388), reversal of expenses associated with the conversion feature of preferred stock of \$1,390,456 and a gain on change in fair value of derivative liabilities of \$946,140.

Liquidity and Capital Resources

As of June 30, 2016, our cash balance was \$16,680. We may attempt to sell additional equity shares or issue debt to support our operations. Any sale of additional equity securities will result in dilution to our stockholders. There can be no assurance that additional financing will be available to us or, if available to us, on acceptable terms.

G. OFF-BALANCE SHEET ARRANGEMENTS

The Company did not engage in any off-balance sheet arrangements during the fiscal quarter ended June 30, 2016.

ITEM 7. DESCRIBE THE ISSUER'S FACILITIES

At this time the Company does not have any significant tangible assets and is in the process of identifying suitable targets for acquisition. The Company does not own any real estate and leases office space on a month-to-month basis.

ITEM 8. OFFICERS, DIRECTORS AND CONTROL PERSONS

A. NAMES OF OFFICERS, DIRECTORS AND CONTROL PERSONS

The following table and biographical summaries set forth information, including principal occupation and business experience, about our directors and executive officers as of June 30, 2016. There is no familial relationship between or among the nominees, directors or executive officers of the Company.

<u>NAME(1)</u>	<u>AGE</u>	<u>POSITION</u>	<u>OFFICER AND/OR DIRECTOR SINCE</u>
Conrad Huss	66	President, Director	May 2013

(1)On May 11, 2015, Stephen Price and Gerard Daignault resigned from all positions as officers and directors of the Company.

The Company's directors serve in such capacity until the first annual meeting of the Company's shareholders and until their successors have been elected and qualified. The Company's officers serve at the discretion of the Company's board of directors, until their death, or until they resign or have been removed from office.

There are no agreements or understandings for any director or officer to resign at the request of another person and none of the directors or officers is acting on behalf of or will act at the

direction of any other person. The activities of each director and officer are material to the operation of the Company. No other person's activities are material to the operation of the Company.

Mr. Conrad Huss, President, Director

Mr. Huss, 67, serves as the sole officer and director of the Company. Mr. Huss is a financial professional with over 25 years of investment banking and operating experience. Most recently, he was with Ocean Cross Capital Markets, as Senior Managing Director from 2011 to 2013. Previously, Mr. Huss served as the Senior Managing Director at Southridge Investment Group from 2006 to 2011. Mr. Huss is currently a member on the board of directors of Harrison Vickers and Waterman Inc. We believe Mr. Huss is qualified to serve as a director of the Company due to his financial and operational experience.

B. LEGAL/DISCIPLINARY HISTORY

Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses):

NO.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities or banking activities:

NO.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated:

NO.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities:

On December 8, 2014, our sole officer and director Mr. Conrad Huss was named a respondent in a FINRA complaint alleging that in 2006 he made certain misrepresentations in connection with the solicitation and sale of promissory notes ("Notes") issued by a real estate development company in a private offering. Mr. Huss vehemently denied the allegations and vigorously defended himself against the claims. On October 14, 2015, without admitting or denying the allegations in the complaint, Mr. Huss consented to an Offer of Settlement with FINRA and was suspended from

associating with any FINRA member for a period of two years, and a fine in the amount of \$20,000.

Except as set forth above, 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 during the past five years. No director or executive officer has been convicted of a criminal offense or is the subject of a pending criminal proceeding during the past five years. 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 during the past five years. No director or officer has been found by a court to have violated a federal or state securities or commodities law during the past five years.

ITEM 9. THIRD PARTY PROVIDERS

A. Legal Counsel

Joseph M. Lucosky
Lucosky Brookman
101 Wood Ave. South
Woodbridge, NJ 08830

732-395-4400

B. Accountant or Auditor

None

C. Investor Relations Consultant

None

D. Other Advisor(s)

None

ITEM 10. OTHER INFORMATION

N/A

ITEM 11. EXHIBITS

N/A

ITEM 12. CERTIFICATIONS

I, Conrad Huss, certify that:

1. I have reviewed this amended quarterly disclosure statement of Connexus Corporation
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement, fairly present, in all material respects, the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

/s/Conrad Huss

Conrad Huss, President

Dated: June 5, 2017