

## Submission Data File

General Information	
Form Type*	10-Q
Contact Name	William Bossung
Contact Phone	702-884-6365
<b>Filer File Number</b>	
Filer CIK*	0001630176 (GREY CLOAK TECH INC.)
Filer CCC*	j*azyt7r
Filer is Smaller Reporting Company	Yes
Confirming Copy	No
Notify via Website only	No
Return Copy	No
SROS*	FINRA
Period*	09-30-2017
Emerging Growth Company	Yes
Elected not to use extended transition period	No
(End General Information)	

Document Information	
File Count*	6
Document Name 1*	grck-20170930_10q.htm
Document Type 1*	10-Q
Document Description 1	FORM 10-Q FOR PERIOD ENDED SEPTEMBER 30, 2017
Document Name 2*	grck-20170930_10qex31z1.htm
Document Type 2*	EX-31.1
Document Description 2	EXHIBIT 31.1
Document Name 3*	grck-20170930_10qex31z2.htm
Document Type 3*	EX-31.2
Document Description 3	EXHIBIT 31.2
Document Name 4*	grck-20170930_10qex32z1.htm
Document Type 4*	EX-32.1
Document Description 4	EXHIBIT 32.1
Document Name 5*	grck-20170930_10qex32z2.htm
Document Type 5*	EX-32.2
Document Description 5	EXHIBIT 32.2
Document Name 6*	image_001.gif
Document Type 6*	GRAPHIC
Document Description 6	Graphic
(End Document Information)	

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2017**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number **000-55572**



### GREY CLOAK TECH INC.

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**47-2594704**

(I.R.S. Employer  
Identification No.)

**10300 W. Charleston, Las Vegas, NV**

(Address of principal executive offices)

**89135**

(Zip Code)

**(702) 201-6450**

(Registrant's telephone number, including area code)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the previous 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
(Do not check if a smaller reporting company)		Emerging growth company	<input checked="" type="checkbox"/>

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

#### Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

As of November 15, 2017, there were 140,770,136 shares of common stock, \$0.001 par value, issued and outstanding.



**GREY CLOAK TECH INC.****TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b><u>PART I – FINANCIAL INFORMATION</u></b>	<b>2</b>
<u>Item 1. Unaudited Financial Statements</u>	2
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Plan of Operation</u>	15
<u>Item 3. Quantitative and Qualitative Disclosure About Market Risks</u>	20
<u>Item 4T. Controls and Procedures</u>	20
<b><u>PART II – OTHER INFORMATION</u></b>	<b>22</b>
<u>Item 1. Legal Proceedings</u>	22
<u>Item 1A. Risk Factors</u>	22
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	22
<u>Item 3. Defaults Upon Senior Securities</u>	23
<u>Item 4. Mine Safety Disclosures</u>	23
<u>Item 5. Other Information</u>	23
<u>Item 6. Exhibits</u>	24
<b><u>SIGNATURES</u></b>	<b>25</b>

## PART I – FINANCIAL INFORMATION

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934 (the “Exchange Act”). These statements are based on management’s beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning our possible or assumed future results of operations set forth under the heading: “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements also include statements in which words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” “consider” or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. Our future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

[Table of Contents](#)**ITEM 1 Financial Statements**

**GREY CLOAK TECH INC**  
**BALANCE SHEETS**  
**(unaudited)**

ASSETS	SEPTEMBER 30, 2017	DECEMBER 31, 2016
<b>CURRENT ASSETS</b>		
Cash	\$ 63,478	\$ 24,102
Accounts receivable	47,000	66,000
Prepaid expenses	5,244	7,433
Note receivable	79,295	46,295
Accrued interest receivable	791	—
<b>Total current assets</b>	<u>195,808</u>	<u>143,830</u>
Fixed assets, net of accumulated depreciation of \$890 and \$395, respectively	1,881	1,186
Website, net of accumulated amortization of \$2,333 and \$1,633, respectively	467	1,167
<b>Total other assets</b>	<u>2,348</u>	<u>2,353</u>
<b>TOTAL ASSETS</b>	<u>\$ 198,156</u>	<u>\$ 146,183</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 35,641	\$ 4,000
Accounts payable - related party	26,369	19,799
Accrued payroll and taxes	11,874	6,111
Notes payable - related party	10,000	15,000
Convertible debt, net of discount of \$235,111 and \$54,653, respectively	439,489	405,097
Accrued interest payable	35,089	16,130
Accrued interest payable - related party	1,300	513
Derivative liabilities	2,038,605	2,038,952
<b>Total current and total liabilities</b>	<u>2,598,367</u>	<u>2,505,602</u>
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock, \$0.001 par value, 75,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.001 par value, 500,000,000 shares authorized, 59,996,539 and 17,156,276 shares issued and outstanding, respectively	59,997	17,156
Additional paid-in capital	3,810,221	1,744,732
Accumulated deficit	(6,270,429)	(4,121,307)
<b>Total stockholders' deficit</b>	<u>(2,400,211)</u>	<u>(2,359,419)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<u>\$ 198,156</u>	<u>\$ 146,183</u>

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



[Table of Contents](#)

**GREY CLOAK TECH INC**  
**STATEMENT OF OPERATIONS**  
**(unaudited)**

	For the three months ended September 30, 2017	For the three months ended September 30, 2016	For the nine months ended September 30, 2017	For the nine months ended September 30, 2016
<b>REVENUE</b>	\$ 34,500	\$ 42,500	\$ 114,000	\$ 122,750
<b>OPERATING EXPENSES</b>				
Direct cost of revenue	12,000	5,231	29,659	16,834
General and administrative	47,925	244,931	498,574	606,028
General and administrative - related party	48,500	44,000	157,500	135,650
<b>Total operating expenses</b>	<u>108,425</u>	<u>294,162</u>	<u>685,733</u>	<u>758,512</u>
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense, net of interest income	(249,629)	(574,114)	(1,807,713)	(630,449)
Interest expense - related party	(202)	(210)	(787)	(210)
Change in fair value on derivative	(1,160,652)	(1,694)	442,636	(1,694)
Loss on extinguishment of debt	(35,072)	(47,969)	(211,525)	(47,969)
<b>Total other income (expense)</b>	<u>(1,445,555)</u>	<u>(623,987)</u>	<u>(1,577,389)</u>	<u>(680,322)</u>
<b>Net loss before income tax provision</b>	(1,519,480)	(875,649)	(2,149,122)	(1,316,084)
<b>Income tax provision</b>	—	—	—	—
<b>NET LOSS</b>	<u>\$ (1,484,408)</u>	<u>\$ (875,649)</u>	<u>\$ (2,149,122)</u>	<u>\$ (1,316,084)</u>
<b>Loss per share - basic and diluted</b>	<u>\$ (0.05)</u>	<u>\$ (0.06)</u>	<u>\$ (0.09)</u>	<u>\$ (0.09)</u>
<b>Weighted average number of shares outstanding - basic and diluted</b>	<u>32,650,304</u>	<u>15,668,614</u>	<u>25,247,049</u>	<u>15,339,720</u>

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

[Table of Contents](#)

**GREY CLOAK TECH INC**  
**STATEMENT OF CASH FLOWS**  
**(unaudited)**

	For the nine months ended September 30, 2017	For the nine months ended September 30, 2016
<b>Cash Flows from Operating Activities:</b>		
Net Loss	\$ (2,149,122)	\$ (1,316,084)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,194	964
Loss on disposal of assets	—	2,664
Warrants issued for services	—	315,019
Non-cash fees including penalties	97,464	—
Non-cash interest	1,755,834	612,470
Change in fair value on derivative liability	(442,636)	1,694
Loss on extinguishment of debt	211,525	47,969
Changes in operating assets and liabilities:		
Accounts receivable	19,000	(9,500)
Prepaid expenses	2,189	1,395
Accrued interest receivable	(791)	—
Accounts payable	31,641	(12,892)
Accounts payable - related party	6,570	5,799
Accrued payroll and taxes	5,763	(379)
Accrued interest payable	42,647	7,217
Accrued interest payable - related party	787	210
<b>Net Cash used in Operating Activities</b>	<b>(417,935)</b>	<b>(343,454)</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of fixed assets	(1,189)	(1,581)
Payments for note receivable	(33,000)	—
<b>Cash flows used from Investing Activities:</b>	<b>(34,189)</b>	<b>(1,581)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from issuance of notes payable	—	35,000
Proceeds from issuance of convertible debt, net of original issue discount of \$52,500 and \$37,250, respectively	682,750	295,000
Payments for repayment of convertible debt	(186,250)	—
Payments for repayment of notes payable - related party	(5,000)	—
Proceeds from modification of warrants	—	50,000
Proceeds from exercise of warrants	—	37,500
<b>Net Cash provided by Financing Activities</b>	<b>491,500</b>	<b>417,500</b>
<b>Increase in cash</b>	<b>39,376</b>	<b>72,465</b>
<b>Cash at beginning of period</b>	<b>24,102</b>	<b>1,536</b>
<b>Cash at end of period</b>	<b>\$ 63,478</b>	<b>\$ 74,001</b>
<b>Supplemental disclosure of cash flow information of non-cash financing activities:</b>		
Beneficial conversion feature and warrants recognized as a discount	\$ —	\$ 260,422

Conversion of debt for shares of common stock	\$ <u>743,936</u>	\$ <u>53,804</u>
---	-------------------	------------------

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

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS**

Grey Cloak Tech Inc. (the “Company”) was incorporated in the State of Nevada on December 19, 2014. The Company was formed to provide cloud based software to detect advertising fraud on the internet.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial statements and with the instructions to Form 10-Q and Article 8 of Regulation S-X of the United States Securities and Exchange Commission (“SEC”). Accordingly, they do not contain all information and footnotes required by accounting principles generally accepted in the United States of America for annual financial statements. In the opinion of the Company’s management, the accompanying unaudited consolidated financial statements contain all the adjustments necessary (consisting only of normal recurring accruals) to present the financial position of the Company as of September 30, 2017 and the results of operations and cash flows for the periods presented. The results of operations for the nine months ended September 30, 2017 are not necessarily indicative of the operating results for the full fiscal year or any future period. These unaudited consolidated financial statements should be read in conjunction with the financial statements and related notes thereto included in the Company’s form 10-K for the year ended December 31, 2016 filed with the SEC on April 17, 2017.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash***

Cash includes cash in banks, money market funds, and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value.

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUING)*****Revenue Recognition***

We recognize revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the product or service has been provided to the customer; (3) the amount of fees to be paid by the customer is fixed or determinable; and (4) the collection of our fees is probable.

The Company will record revenue when it is realizable and earned and the computer programming services or marketing services have been rendered to the customers. Additionally, the Company will record revenue from the sale of its software when the software is delivered to the customer or it will be recognized ratably throughout the term of the contract.

***Concentration***

One customer accounted for 100% of total revenue earned during the nine months ended September 30, 2017 and 2016. 100% of the accounts receivable is due from this customer at September 30, 2017 and December 31, 2016.

***Income Taxes***

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, "Accounting for Income Taxes". The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized. As of September 30, 2017, the Company did not have any amounts recorded pertaining to uncertain tax positions.

***Fair Value Measurements***

The Company adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures", which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUING)**

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The derivative liability in connection with the conversion feature of the convertible debt, classified as a Level 3 liability, is the only financial liability measure at fair value on a recurring basis.

The change in Level 3 financial instrument is as follows:

Balance, January 1, 2017	\$	2,038,952
Issued during the nine months ended September 30, 2017		1,867,043
Change in fair value recognized in operations		(442,635)
Converted during the nine months ended September 30, 2017		(1,424,756)
Balance, September 30, 2017	\$	<u>2,038,605</u>

***Convertible Instruments***

The Company evaluates and account for conversion options embedded in convertible instruments in accordance with ASC 815 “*Derivatives and Hedging Activities*”.

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The Company accounts for convertible instruments (when it has been determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: The Company records when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

The Company accounts for the conversion of convertible debt when a conversion option has been bifurcated using the general extinguishment standards. The debt and equity linked derivatives are removed at their carrying amounts and the shares issued are measured at their then-current fair value, with any difference recorded as a gain or loss on extinguishment of the two separate accounting liabilities. During the nine months ending September 30, 2017, the Company recognized a loss on extinguishment of \$211,525 from the conversion of convertible debt with a bifurcated conversion option.

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUING)**

***Common Stock Purchase Warrants***

The Company classifies as equity any contracts that require physical settlement or net-share settlement or provide a choice of net-cash settlement or settlement in the Company's own shares (physical settlement or net-share settlement) provided that such contracts are indexed to our own stock as defined in ASC 815-40 ("Contracts in Entity's Own Equity"). The Company classifies as assets or liabilities any contracts that require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside our control) or give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). The Company assesses classification of common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification is required.

**NOTE 3 – GOING CONCERN**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has generated minimal revenues from operations. Since its inception, the Company has been engaged substantially in financing activities and developing its business plan and incurring start up costs and expenses. As a result, the Company incurred accumulated net losses from Inception (December 19, 2014) through the period ended September 30, 2017 of \$6,270,429. In addition, the Company's development activities since inception have been financially sustained through equity financing. Management plans to seek funding through debt and equity financing.

**NOTE 4 – RELATED PARTY**

For the nine months ended September 30, 2017 and 2016, the Company had expenses totaling \$72,000 and \$80,000, respectively to an officer and director for salaries, which is included in general and administrative expenses – related party on the accompanying statement of operations. As of September 30, 2017, there was \$0 in accounts payable – related party.

For the nine months ended September 30, 2017 and 2016, the Company had expenses totaling \$85,500 and \$55,650, respectively to a company owned by an officer and director for consulting fees, which is included in general and administrative expenses – related party on the accompanying statement of operations. As of September 30, 2017, there was \$26,369 in accounts payable – related party.

**NOTE 5 – NOTES PAYABLE – RELATED PARTY**

On July 28, 2016, the Company received a loan of \$15,000 from an officer and director of the Company. The loan bears interest at 8% per annum and due the earlier of January 27, 2017 or when the Company receives financing of over \$45,000. During the nine months ended September 30, 2017, the Company repaid \$5,000 in principal.

During the nine months ended September 30, 2017, the Company recorded interest expense of \$787. As of the date of this filing, the loan is in default.

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 6 – CONVERTIBLE DEBT**

On September 22, 2016, the Company executed a convertible promissory note for \$5,000. The loan bears interest at 12% per annum. The loan is due on December 31, 2016. In the event of default, the interest rate increases to 22% per annum. During default the lender has the right to convert the principal amount and unpaid interest of the loan at a rate of either the lesser of \$0.20 or 60% of the lowest trading price during the prior 20 days of conversion. During the nine months ended September 30, 2017 the entire balance of principal and interest was converted into 219,462 shares of common stock.

On October 5, 2016, the Company executed a convertible promissory note for \$55,000 with an original issue discount of \$10,000. The loan bears interest at 12% per annum. The loan is due on December 31, 2016. In the event of default, the interest rate increases to 22% per annum. During default the lender has the right to convert the principal amount and unpaid interest of the loan at a rate of either the lesser of \$0.20 or 60% of the lowest trading price during the prior 20 days of conversion. During the nine months ended September 30, 2017 the entire balance of principal and interest was converted into 1,874,854 shares of common stock.

On January 23, 2017, the Company executed three convertible promissory notes totaling \$100,000. The loans bear interest at 8% per annum and are due on January 23, 2018. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of the lower of \$0.04 per share or 60% of the lowest trading price during the prior 20 days of conversion. During the nine months ended September 30, 2017 a portion of the principal totaling \$17,250 was converted into 3,450,000 shares of common stock.

On February 24, 2017, the Company executed a convertible promissory note for \$24,000 with an OID of \$4,000. The loan is due on February 24, 2018. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of the lower of \$0.03 per share or 60% of the lowest trading price during the prior 20 days of conversion.

On February 28, 2017, the Company executed a convertible promissory note for \$36,000 with an OID of \$6,000. The loan is due on February 28, 2018. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of the lower of \$0.03 per share or 60% of the lowest trading price during the prior 20 days of conversion. During the nine months ended September 30, 2017 the entire balance of principal and interest was converted into 6,360,000 shares of common stock.

On March 3, 2017, the Company executed a convertible promissory note for \$90,000. The loan bears interest at 12% per annum and is due on December 1, 2017. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of 55% of the lowest trading price during the prior 20 days of conversion.

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 6 – CONVERTIBLE DEBT (CONTINUED)**

On March 7, 2017, the Company executed three convertible promissory notes totaling \$90,000. The loans bear interest at 10% per annum and are due on March 9, 2018. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of the lower of \$0.03 per share or 55% of the lowest trading price during the prior 20 days of conversion. During the nine months ended September 30, 2017 a portion of the principal totaling \$20,000 was converted into 4,000,000 shares of common stock.

On March 8, 2017, the Company executed two convertible promissory notes totaling \$60,000. The loans bear interest at 10% per annum and are due on March 9, 2018. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of the lower of \$0.03 per share or 55% of the lowest trading price during the prior 20 days of conversion.

On March 9, 2017, the Company executed a convertible promissory note for \$66,000. The loan bears interest at 12% per annum and is due on December 1, 2017. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of 50% of the lowest trading price during the prior 20 days of conversion. During the nine months ended September 30, 2017 a portion of the principal totaling \$38,400 and a portion of interest totaling \$2,530 was converted into 11,135,581 shares of common stock.

On March 14, 2017, the Company executed a convertible promissory note for \$15,000. The loan bears interest at 10% per annum and is due on March 9, 2018. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of the lower of \$0.03 per share or 55% of the lowest trading price during the prior 20 days of conversion.

On April 10, 2017, the Company executed a convertible promissory note for \$30,000. The loan bears interest at 10% per annum and is due on April 10, 2018. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of the lower of \$0.03 per share or 55% of the lowest trading price during the prior 20 days of conversion.

On August 22, 2016, the Company executed a convertible promissory note for up to \$300,000 and has received a total of \$30,000 with an original issue discount of \$5,000 in the first tranche. The loan bears interest at 8% per annum. The first tranche is due on August 22, 2017. In the event of default, the interest rate increases to 22% per annum. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of 56% of the lowest trading price during the prior 20 days of conversion. However, if the stock price is below \$0.10 then the loan can convert at a rate of 46% of the lowest trading price during the prior 20 days of conversion. Additionally, the Company issued 60,000 warrants as part the convertible promissory note. The warrants have an exercise price of \$0.50 and can be exercised for 5 years. The fair value of the warrants were recorded as a debt discount and amortized over one year. On October 27, 2016, the Company received the second tranche of \$30,000 with an original issue discount of \$5,000. The second tranche is due on October 27, 2017. On April 20, 2017, the Company received the third tranche of \$45,000 with an original issue discount of \$10,750. The third tranche is due on April 20, 2018. During the nine months ended September 30, 2017, the lender converted \$30,000 of principal and \$1,819 of interest into 6,253,733 shares of common stock. As of September 30, 2017, the principal balance owed is \$45,000.

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 6 – CONVERTIBLE DEBT (CONTINUED)**

On May 12, 2017, the Company executed a convertible promissory note for \$60,000 with an OID of \$3,000. The loan bears interest at 12% per annum and is due on February 20, 2018. In the event of default, the interest rate increases to 22% per annum. The lender has the right to convert the principal amount and unpaid interest of the loan beginning 180 days after original loan date at a rate of 61% of the average of the two lowest trading price during the prior 15 days of conversion.

On June 22, 2017, the Company executed a convertible promissory note for \$33,000 with an OID of \$3,000. The loan bears interest at 12% per annum and is due on February 20, 2018. In the event of default, the interest rate increases to 22% per annum. The lender has the right to convert the principal amount and unpaid interest of the loan beginning 180 days after original loan date at a rate of 61% of the average of the two lowest trading price during the prior 15 days of conversion.

On July 5, 2017, the Company executed a convertible promissory note for \$50,000 with an OID of \$7,500. The loan bears interest at 9% per annum and is due on June 26, 2018. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of 58% of the average of the lowest trading price during the prior 15 days of conversion. This loan has prepayment penalties.

On September 27, 2017, the Company executed a convertible promissory note for \$53,000 with an OID of \$3,000. The loan bears interest at 12% per annum and is due on June 30, 2018. In the event of default, the interest rate increases to 22% per annum. The lender has the right to convert the principal amount and unpaid interest of the loan beginning 180 days after original loan date at a rate of 61% of the average of the two lowest trading price during the prior 15 days of conversion.

During the nine months ended September 30, 2017, the Company recorded interest expense of \$50,513 and amortization of debt discount of \$434,542.

The Company has determined that the conversion feature embedded in the notes referred to above that contain a potential variable conversion amount constitutes a derivative which has been bifurcated from the note and recorded as a derivative liability, with a corresponding discount recorded to the associated debt.

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 7 – STOCKHOLDERS' EQUITY***Authorized Stock*

The Company has authorized 500,000,000 common shares with a par value of \$0.001 per share and 75,000,000 preferred shares with a par value of \$0.001 per share. Each common share entitles the holder to one vote on any matter on which action of the stockholders of the corporation is sought.

*Common Share Issuances*

On February 3, 2017, the Company issued 1,555,119 shares of common stock for the conversion of debt totaling \$139,961 and gain on settlement of debt of \$10,886.

On February 22, 2017, the Company issued 289,000 shares of common stock for the conversion of debt totaling \$8,011 and gain on settlement of debt of \$20,889.

On March 1, 2017, the Company issued 300,000 shares of common stock for the conversion of debt totaling \$8,100 and gain on settlement of debt of \$17,700.

On March 6, 2017, the Company issued 616,895 shares of common stock for the conversion of debt totaling \$142,771 and loss on settlement of debt of \$80,465.

On March 13, 2017, the Company issued 1,578,926 shares of common stock for the conversion of debt totaling \$206,721 and loss on settlement of debt of \$21,987.

On March 28, 2017, the Company issued 711,111 shares of common stock for the cashless exercise of 60,000 warrants.

On April 28, 2017, the Company issued 937,427 shares of common stock for the conversion of debt totaling \$25,311 and gain on settlement of debt of \$31,455.

On April 28, 2017, the Company issued 219,462 shares of common stock for the conversion of debt totaling \$5,925 and gain on settlement of debt of \$3,672.

On May 10, 2017, the Company issued 360,000 shares of common stock for the conversion of debt totaling \$8,061 including fees of \$500 and loss on settlement of debt of \$20,739.

On May 24, 2017, the Company issued 219,462 shares of common stock for the conversion of debt totaling \$5,925 and gain on settlement of debt of \$8,155.

On May 24, 2017, the Company issued 468,714 shares of common stock for the conversion of debt totaling \$12,655 and loss on settlement of debt of \$31,873.

On May 24, 2017, the Company issued 468,713 shares of common stock for the conversion of debt totaling \$12,655 and loss on settlement of debt of \$31,872.

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 7 – STOCKHOLDERS' EQUITY (CONTINUED)**

On June 12, 2017, the Company issued 438,468 shares of common stock for the conversion of debt totaling \$15,000 and loss on settlement of debt of \$18,762.

On July 31, 2017, the Company issued 800,000 shares of common stock for the conversion of debt totaling \$7,920 including fees of \$500 and loss on settlement of debt of \$45,556.

On August 3, 2017, the Company issued 909,090 shares of common stock for the conversion of debt totaling \$10,000 and loss on settlement of debt of \$30,158.

On August 29, 2017, the Company issued 6,360,000 shares of common stock for the conversion of debt totaling \$38,160 including interest of \$2,160 and gain on settlement of debt of \$31,073.

On August 30, 2017, the Company issued 1,348,000 shares of common stock for the conversion of debt totaling \$4,853 including fees of \$500 and loss on settlement of debt of \$9,233.

On September 8, 2017, the Company issued a total of 3,412,074 shares of common stock for the conversion of debt totaling \$17,246 including interest \$1,740 and fees of \$4,256 and loss on settlement of debt of \$35,968.

On September 12, 2017, the Company issued 3,450,000 shares of common stock for the conversion of debt totaling \$17,250 and gain on settlement of debt of \$2,811.

On September 13, 2017, the Company issued 2,075,000 shares of common stock for the conversion of debt totaling \$7,470 including fees of \$500 and loss on settlement of debt of \$15,982.

On September 15, 2017, the Company issued 4,000,000 shares of common stock for the conversion of debt totaling \$20,000 and gain on settlement of debt of \$8,125.

On September 21, 2017, the Company issued 1,670,733 shares of common stock for the conversion of debt totaling \$6,015 including interest of \$1,819 and fees of \$500 and gain on settlement of debt of \$33,681.

On September 22, 2017, the Company issued 833,433 shares of common stock for the conversion of debt totaling \$4,584 including interest of \$2,084 and gain on settlement of debt of \$42,396.

On September 25, 2017, the Company issued 4,657,247 shares of common stock for the conversion of debt totaling \$18,874 including interest of \$1,129 and fees of \$745 and loss on settlement of debt of \$104,151.

On September 27, 2017, the Company issued 5,161,389 shares of common stock for the conversion of debt totaling \$18,874 including interest of \$1,133 and fees of \$754 and gain on settlement of debt of \$87,891.

***Warrant Issuances***

As of September 30, 2017, there were 9,696,250 warrants outstanding, of which 2,696,250 are fully vested.

[Table of Contents](#)

**GREY CLOAK TECH INC**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017  
(unaudited)

**NOTE 8 – SUBSEQUENT EVENTS**

In October and November 2017, the Company issued a total of 80,773,597 shares of common stock for the conversion of debt including principal of \$281,345, interest of \$21,873 and fees of \$4,508.

On October 16, 2017, the Company filed an Amended and Restated Certificate of Designation of the Rights, Preferences, Privileges and Restrictions of the Series A Convertible Preferred Stock (the “Amended Certificate”) with the Secretary of State of the State of Nevada. The Amended Certificate reduces the number of preferred shares designated as Series A Preferred Stock from 25,000,000 shares to 1,333,334 shares. The Amended Certificate also changes the conversion and voting rights of the Series A Preferred Stock. The Series A Preferred Stock is now convertible into the number of shares of our common stock equal to 0.00006% of our outstanding common stock upon conversion. The voting rights of the Series A Preferred Stock are now equal to the number of shares of common stock into which the Series A Preferred Stock may convert.

On October 17, 2017, the Company entered into a Share Exchange Agreement with Eqova Life Sciences (“Eqova”) and issued 1,100,000 shares of Series A Convertible Preferred Stock in exchange for 100% of Eqova. The shares are convertible into approximately 66% of the total outstanding common stock as of the date of the closing. Of the total shares issued to Eqova only 550,000 shares are vested and the remaining 550,000 shares will vest upon sales of \$100,000 for three consecutive months or \$300,000 gross sales in any calendar quarter. Any unvested shares as of October 17, 2019, will be repurchased by the Company at a price of \$0.01 per share. As part of the acquisition, Patrick Stiles, is currently the President and CEO of the Company and is a member of the board of directors.

On October 17, 2017, the Company entered into an employment agreement with Patrick Stiles and has agreed to pay Mr. Stiles an annual base salary of \$140,000 and may receive stock options as determined by the board of directors. If Mr. Stiles is terminated without cause he will receive three months severance and has non-compete and non-solicitation provisions for a period of one year after his termination.

On October 17, 2017, the Company entered into an employment agreement with William Bossung and has agreed to pay Mr. Bossung an annual base salary of \$140,000 and may receive stock options as determined by the board of directors. If Mr. Stiles is terminated without cause he will receive three months severance and has non-compete and non-solicitation provisions for a period of one year after his termination.

On October 17, 2017, the Company issued a Convertible Promissory Note, in the amount of \$30,000, and a warrant to purchase 1,200,000 shares of our common stock, to Fred Covely to satisfy obligations owed to Mr. Covely by the Company. The Convertible Promissory Note has a maturity date of October 17, 2018 and is convertible into shares of our common stock at a conversion price equal to fifty percent (50%) of the average of the closing trading price for our common stock during the three trading day period ending on the last trading day prior to the conversion date. The warrants have an exercise price of \$0.25 per share, may be exercised immediately and expire on October 17, 2020.

On October 17, 2017, the Company issued 41,403 and 146,330 shares of Series A Convertible Preferred Stock, restricted in accordance with Rule 144, to Fred Covely and William Bossung, respectively.

On October 31, 2017, the Company issued a total of 45,601 shares of Series A Convertible Preferred Stock and purchased domain names from the officers of the Company.

[Table of Contents](#)**ITEM 2 Management's Discussion and Analysis of Financial Condition and Results of Operations**

Our Management's Discussion and Analysis contains not only statements that are historical facts, but also statements that are forward-looking (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national and local general economic and market conditions; demographic changes; our ability to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other risks that might be detailed from time to time in our filings with the Securities and Exchange Commission.

Although the forward-looking statements in this Quarterly Statement reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by them. Consequently, and because forward-looking statements are inherently subject to risks and uncertainties, the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. You are urged to carefully review and consider the various disclosures made by us in this report and in our other reports as we attempt to advise interested parties of the risks and factors that may affect our business, financial condition, and results of operations and prospects.

The following discussion and analysis of financial condition and results of operations of the Company is based upon, and should be read in conjunction with, its unaudited financial statements and related notes elsewhere in this Form 10-Q, which have been prepared in accordance with accounting principles generally accepted in the United States.

**Summary Overview**

We were formed in December 2014. We are developing a cloud based software to detect advertising fraud on the internet. We had revenues of approximately \$163,000 in the year ended December 31, 2016, 100% of which was from a single customer. We had revenues of \$34,500 for the three months ended September 30, 2017, all of which was from the same customer.

With the acquisition of Eqova Life Sciences, we will now have two lines of business. Eqova Life Sciences is focused on the production and sale of hemp oil products through the medical practitioner market. Our legacy business will continue to provide software enterprise platform services.

*Eqova Life Sciences*

On October 17, 2017, we acquired Eqova Life Sciences, a Nevada corporation, through an exchange of shares of our Series A Convertible Preferred Stock for all of the outstanding equity interest of Eqova Life Sciences. As part of the Exchange, we have brought on Eqova Life Sciences' President and Director, Patrick Stiles, to serve as our President and Chief Executive Officer and as a Director on our Board of Directors.

[Table of Contents](#)

Eqova Life Sciences is a medically-focused CBD company that develops clinical grade full spectrum hemp oil products, sold exclusively via partnerships with licensed medical practitioners to use with their patients. To date, we know of no other hemp oil company exclusively focuses on the practitioner market, leaving it largely underserved. According to The Hemp Business Journal, CBD products marketplace are projected to grow by 700% by 2020 with annual sales reaching \$2.1 billion. With a head start in a growing marketplace, we believe that Eqova Life Sciences provides us with a prime growth opportunity with an established business.

*Going Concern*

As a result of our financial condition, we have received a report from our independent registered public accounting firm for our financial statements for the years ended December 31, 2015 and 2016, which includes an explanatory paragraph describing the uncertainty as to our ability to continue as a going concern. Since inception, we have been engaged substantially in financing activities and developing our business plan and incurring startup costs and expenses. As a result, we have incurred accumulated net losses from inception (December 19, 2014) through the period ended September 30, 2017 of \$6,270,429. In addition, our development activities since inception have been financially sustained through equity financing. Management plans to seek funding through debt and equity financing.

**Results of Operations for the Three and Nine Months Ended September 30, 2017 and 2016**Introduction

We had revenues of \$34,500 for the three months ended September 30, 2017, compared to \$42,500 for the three months ended September 30, 2016. Our operating expenses were \$108,425 for the three months ended September 30, 2017, compared to \$294,162 for the three months ended September 30, 2016, a decrease of \$185,737, or approximately 171%.

We had revenues of \$114,000 for the nine months ended September 30, 2017, compared to \$122,750 for the nine months ended September 30, 2016. Our operating expenses were \$685,733 for the nine months ended September 30, 2017, compared to \$758,512 for the nine months ended September 30, 2016, a decrease of \$72,779, or approximately 10%.

Our operating expenses consisted mostly of general and administrative expenses, including general and administrative expenses to a related party.

[Table of Contents](#)Revenues and Net Operating Loss

Our revenue, operating expenses, net operating loss, and net loss for the three and nine months ended September 30, 2017 and 2016 were as follows:

	Three Months September 30, 2017	Three Months September 30, 2016	Increase/ (Decrease)	Nine Months September 30, 2017	Nine Months September 30, 2016	Increase / (Decrease)
Revenue	\$ 34,500	\$ 42,500	\$ (8,000)	\$ 114,000	\$ 122,750	\$ (8,750)
Operating expenses:						
Direct cost of revenue	12,000	5,231	6,769	29,659	16,834	12,825
General and administrative	47,925	244,931	(197,006)	498,574	606,028	(107,454)
General and administrative - related party	48,500	44,000	4,500	157,500	135,650	21,850
Total operating expenses	108,425	294,162	(185,737)	685,733	758,512	(72,779)
Net operating loss	73,925	251,662	(177,737)	571,733	635,762	(64,029)
Other income (expense)	(1,445,555)	(623,987)	821,568	(1,577,389)	(680,322)	897,067
Net loss	\$ 1,519,480	\$ 875,649	\$ 643,831	\$ 2,149,122	\$ 1,316,084	\$ 833,038

*Revenues*

Revenues were \$34,500 for the three months ended September 30, 2017, compared to \$42,500 for the three months ended September 30, 2016, a decrease of \$8,000, or approximately 19%. Nearly all of the total revenue came from a single customer. The decrease was due to the decrease in needs from our customer.

Revenues were \$114,000 for the nine months ended September 30, 2017, compared to \$122,750 for the nine months ended September 30, 2016, a decrease of \$8,750, or approximately 7%. Nearly all of the total revenue came from a single customer. The decrease was due to the decrease in needs from our customer.

*Direct Cost of Revenue*

Direct cost of revenue expenses was \$12,000 for the three months ended September 30, 2017, compared to \$5,231 for the three months ended September 30, 2016, and increase of \$6,769, an increase of approximately 129%. The increase was due to an increase in costs from hosting charges.

Direct cost of revenue expenses was \$29,659 for the nine months ended September 30, 2017, compared to \$16,834 for the nine months ended September 30, 2016, an increase of \$12,825, or approximately 76%. The increase was due to an increase in costs from hosting charges.

[Table of Contents](#)*General and Administrative*

General and administrative expenses were \$47,925 for the three months ended September 30, 2017, compared to \$244,931 for the three months ended September 30, 2016, a decrease of \$197,006, or 80%. The decrease was due to normal fluctuations in the business operations. General and administrative expenses – related party were \$48,500 for the three months ended September 30, 2017, compared to \$44,000 for the three months ended September 30, 2016, an increase of \$4,500, or approximately 10%.

General and administrative expenses were \$498,574 for the nine months ended September 30, 2017, compared to \$606,028 for the nine months ended September 30, 2016, a decrease of \$107,454, or approximately 18%. General and administrative expenses – related party were \$157,500 for the nine months ended September 30, 2017, compared to \$135,650 for the nine months ended September 30, 2016, an increase of \$21,850, or approximately 16%.

*Operating Loss*

Net operating loss was \$73,925 for the three months ended September 30, 2017, compared to \$251,662 for the three months ended September 30, 2016, a decrease of \$177,737, or approximately 71%. Net operating loss decreased, as set forth above, primarily due to a decrease in general and administrative expenses.

Net operating loss was \$571,733 for the nine months ended September 30, 2017, compared to \$635,762 for the nine months ended September 30, 2016, a decrease of \$64,029, or approximately 10%. Net operating loss increased, as set forth above, primarily due to an increase in general and administrative expenses.

*Other Income (Expense)*

Other expense was \$1,445,555 for the three months ended September 30, 2017, compared to other expense of \$623,987 for the three months ended September 30, 2016, an increase of \$821,568.

Other expense was \$1,577,389 for the nine months ended September 30, 2017, compared to other expense of \$680,322 for the nine months ended September 30, 2016, an increase of \$897,067.

Other expense consisted of interest expense, net of interest income. Other income (expense) for both periods consisted primarily of a change in fair value on derivative and loss on extinguishment of debt offset by interest expense, net of interest income. The increase in interest expense is attributable to new debt issuances. The Company had derivative liabilities which was part of the loss for the period.

*Net Loss*

Net loss was \$1,519,480 for the three months ended September 30, 2017, or \$0.05 per share, compared to \$875,649 for the three months ended September 30, 2016, or \$0.06 per share, an increase of \$643,831. Net loss decreased, as set forth above, primarily due to a change in the fair value on derivative offset by an increase in interest expense from new debt issuances and an increase in general and administrative expenses.

Net loss was \$2,149,122 for the nine months ended September 30, 2017, or \$0.09 per share, compared to \$1,316,084 for the nine months ended September 30, 2016, or \$0.09 per share, an increase of \$833,038. Net loss increased, as set forth above, primarily due to an increase in general and administrative expenses and interest expense from new debt issuances, offset by a change in the fair value on derivative.

[Table of Contents](#)***Liquidity and Capital Resources***Introduction

During the three months ended September 30, 2017, because we generated only nominal revenues, we had negative operating cash flows. Our cash on hand as of September 30, 2017 was \$63,478, which was derived from the exercise of warrants and the sale of stock, notes and convertible promissory notes to investors. Our monthly cash flow burn rate for 2016 was approximately \$45,000. Although we have moderate short term cash needs, as our operating expenses increase we will face strong medium to long term cash needs. We anticipate that these needs will be satisfied through the issuance of debt or the sale of our securities until such time as our cash flows from operations will satisfy our cash flow needs.

Our cash, current assets, total assets, current liabilities, and total liabilities as of September 30, 2017 and December 31, 2016, respectively, are as follows:

	September 30, 2017	December 31, 2016	Increase/ (Decrease)
Cash	\$ 63,478	\$ 24,102	\$ 39,376
Total Current Assets	195,808	143,830	51,978
Total Assets	198,156	146,183	51,973
Total Current and total Liabilities	2,598,367	2,505,602	92,765

Our cash increased slightly because we were able to raise capital from the sale of warrants, notes and convertible notes. Our total current assets increased primarily because of this increase in cash and a note receivable. Our total current liabilities increased during the nine months ended September 30, 2017 primarily because of the issuance of new convertible debt and an increase in payables. Our accumulated deficit increased during the nine months ended September 30, 2017 by \$2,149,122 to \$6,270,429 while our total stockholders' deficit increased by \$40,792 to \$2,400,211, primarily due to issuances of stock upon conversion of our convertible notes.

In order to repay our obligations in full or in part when due, we will be required to raise significant capital from other sources. There is no assurance, however, that we will be successful in these efforts.

Cash Requirements

Our cash on hand as of September 30, 2017 was \$63,478. Based on our nominal revenues and current monthly burn rate of approximately \$45,000 per month, we will need to continue to fund operations by raising capital from the sale of our stock and debt financings.

[Table of Contents](#)Sources and Uses of Cash*Operating Activities*

We had net cash used in operating activities of \$417,935 for the nine months ended September 30, 2017, compared to \$343,454 for the nine months ended September 30, 2016. For the nine months ended September 30, 2017, the net cash consisted primarily of our net loss of \$2,149,122, and the increase in the fair value of our derivative liabilities of \$442,636, offset primarily by non-cash amortization of debt discount of \$1,755,834 and increases in accounts payable, accrued liabilities, notes payable and convertible notes. For the nine months ended September 30, 2016, the net cash used in operating activities consisted primarily of our net loss of \$1,316,084, offset by warrants issued for services expenses of \$315,019 and non-cash interest including penalties of 612,470. The cash used during this period went to fund business operations of the Company.

*Investing Activities*

We had \$34,189 net cash used in investing activities for the nine months ended September 30, 2017, and \$1,581 net cash used in investing activities for the nine months ended September 30, 2016. The primary reason for the difference between these periods are payments made for notes receivable of \$33,000.

*Financing Activities*

Our net cash provided by financing activities for the nine months ended September 30, 2017 was \$491,500, all of which was proceeds from convertible notes payable, compared to \$417,500 for the nine months ended September 30, 2016, all of which was proceeds from notes payable, convertible notes payable, warrants and the exercise of warrants.

**ITEM 3 Quantitative and Qualitative Disclosures About Market Risk**

As a smaller reporting company, we are not required to provide the information required by this Item.

**ITEM 4 Controls and Procedures****(a) Disclosure Controls and Procedures**

We conducted an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of September 30, 2017, to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities Exchange Commission's rules and forms, including to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of September 30, 2017, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses identified and described in our Annual Report on Internal Control Over Financial Reporting filed in our Annual Report on Form 10-K.

[Table of Contents](#)

Our principal executive officers do not expect that our disclosure controls or internal controls will prevent all errors and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our principal executive officers have determined that our disclosure controls and procedures are effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the 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 the 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 simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

**(b) Changes in Internal Control over Financial Reporting**

No change in our system of internal control over financial reporting occurred during the period covered by this report, the three month period ended September 30, 2017, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

[Table of Contents](#)

## PART II – OTHER INFORMATION

### ITEM 1 Legal Proceedings

We are not a party to or otherwise involved in any legal proceedings.

In the ordinary course of business, we are from time to time involved in various pending or threatened legal actions. The litigation process is inherently uncertain and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. However, in the opinion of our management, other than as set forth herein, matters currently pending or threatened against us are not expected to have a material adverse effect on our financial position or results of operations.

### ITEM 1A Risk Factors

As a smaller reporting company, we are not required to provide the information required by this Item.

### ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

Except as discussed below, we have not issued unregistered securities during the period covered by this report:

#### Common Share Issuances

On July 31, 2017, we issued 800,000 shares of common stock for the conversion of debt totaling \$7,920 including fees of \$500 and loss on settlement of debt of \$45,556.

On August 3, 2017, we issued 909,090 shares of common stock for the conversion of debt totaling \$10,000 and loss on settlement of debt of \$30,158.

On August 29, 2017, we issued 6,360,000 shares of common stock for the conversion of debt totaling \$38,160 including interest of \$2,160 and gain on settlement of debt of \$31,073.

On August 30, 2017, we issued 1,348,000 shares of common stock for the conversion of debt totaling \$4,853 including fees of \$500 and loss on settlement of debt of \$9,233.

On September 8, 2017, we issued a total of 3,412,074 shares of common stock for the conversion of debt totaling \$17,246 including interest \$1,740 and fees of \$4,256 and loss on settlement of debt of \$35,968.

On September 12, 2017, we issued 3,450,000 shares of common stock for the conversion of debt totaling \$17,250 and gain on settlement of debt of \$2,811.

On September 13, 2017, we issued 2,075,000 shares of common stock for the conversion of debt totaling \$7,470 including fees of \$500 and loss on settlement of debt of \$15,982.

On September 15, 2017, we issued 4,000,000 shares of common stock for the conversion of debt totaling \$20,000 and gain on settlement of debt of \$8,125.

On September 21, 2017, we issued 1,670,733 shares of common stock for the conversion of debt totaling \$6,015 including interest of \$1,819 and fees of \$500 and gain on settlement of debt of \$33,681.

[Table of Contents](#)

On September 22, 2017, we issued 833,433 shares of common stock for the conversion of debt totaling \$4,584 including interest of \$2,084 and gain on settlement of debt of \$42,396.

On September 25, 2017, we issued 4,657,247 shares of common stock for the conversion of debt totaling \$18,874 including interest of \$1,129 and fees of \$745 and loss on settlement of debt of \$104,151.

On September 27, 2017, we issued 5,161,389 shares of common stock for the conversion of debt totaling \$18,874 including interest of \$1,133 and fees of \$754 and gain on settlement of debt of \$87,891.

**Convertible Notes**

On July 5, 2017, we executed a convertible promissory note for \$50,000 with an original issue discount of \$7,500. The loan bears interest at 9% per annum and is due on June 26, 2018. The lender has the right to convert the principal amount and unpaid interest of the loan at a rate of 58% of the average of the lowest trading price during the prior 15 days of conversion. This loan has prepayment penalties.

On September 22, 2016, we executed a convertible promissory note for \$5,000. The loan bears interest at 12% per annum. The loan was due on December 31, 2016. In the event of default, the interest rate increased to 22% per annum. During default the lender had the right to convert the principal amount and unpaid interest of the loan at a rate of either the lesser of \$0.20 or 60% of the lowest trading price during the prior 20 days of conversion. During the nine months ended September 30, 2017 the entire balance of principal and interest was converted into 219,462 shares of common stock.

On September 27, 2017, we executed a convertible promissory note for \$53,000 with an original issue discount of \$3,000. The loan bears interest at 12% per annum and is due on June 30, 2018. In the event of default, the interest rate increases to 22% per annum. The lender has the right to convert the principal amount and unpaid interest of the loan beginning 180 days after original loan date at a rate of 61% of the average of the two lowest trading price during the prior 15 days of conversion.

All of the issuances of securities above were exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, the investors were sophisticated and familiar with our operations, and there was no solicitation in connection with the offering.

**ITEM 3 Defaults Upon Senior Securities**

There have been no events which are required to be reported under this Item.

**ITEM 4 Mine Safety Disclosures**

Not applicable.

**ITEM 5 Other Information**

None.

[Table of Contents](#)**ITEM 6 Exhibits**

## (a) Exhibits

<b>Exhibit Number</b>	<b>Name and/or Identification of Exhibit</b>
3.1 (1)	<a href="#">Articles of Incorporation of Grey Cloak Tech Inc.</a>
3.2 (2)	<a href="#">Certificate of Amendment to the Articles of Incorporation, dated February 24, 2017</a>
3.3 (1)	<a href="#">Bylaws of Grey Cloak Tech Inc.</a>
3.4 (3)	<a href="#">Certificate of Designation of the Series A Convertible Preferred Stock</a>
4.1 (1)	<a href="#">Form of Warrant Certificate</a>
4.2 (1)	<a href="#">Form of Warrant Agreement</a>
31.1	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer</a>
31.2	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer</a>
32.1	<a href="#">Chief Executive Officer Certification Pursuant to 18 USC, Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2	<a href="#">Chief Financial Officer Certification Pursuant to 18 USC, Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
100.INS	XBRL Instance Document
100.SCH	XBRL Schema Document
100.CAL	XBRL Calculation Linkbase Document
100.DEF	XBRL Definition Linkbase Document
100.LAB	XBRL Labels Linkbase Document
100.PRE	XBRL Presentation Linkbase Document

- (1) Incorporated by reference from our Registration Statement on Form S-1 dated and filed with the Commission on March 6, 2015.
- (2) Incorporated by reference from our Current Report on Form 8-K dated and filed with the Commission on February 27, 2017.
- (3) Incorporated by reference from our Current Report on Form 8-K dated and filed with the Commission on April 6, 2017.

[Table of Contents](#)**SIGNATURES**

Pursuant to the requirements 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.

Grey Cloak Tech, Inc.

Dated: November 15, 2017

/s/ Patrick Stiles

By: Patrick Stiles

Its: Chief Executive Officer



**EXHIBIT 31.2****Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer**

I, William Bossung, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Grey Cloak Tech Inc.;

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;

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;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exhibit 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 that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 15, 2017

By /s/ William Bossung  
William Bossung  
Chief Financial Officer

**EXHIBIT 32.1****CERTIFICATION PURSUANT TO 18 USC, SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Grey Cloak Tech Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Fred Covely, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 15, 2017

By: /s/ Patrick Stiles  
Patrick Stiles  
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Grey Cloak Tech Inc., and will be retained by Grey Cloak Tech Inc., and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 32.2****CERTIFICATION PURSUANT TO 18 USC, SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Grey Cloak Tech Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, William Bossung, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 15, 2017

By: /s/ William Bossung  
William Bossung  
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Grey Cloak Tech Inc., and will be retained by Grey Cloak Tech Inc., and furnished to the Securities and Exchange Commission or its staff upon request.