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

FORM 10-Q

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

For the quarterly period ended December 31, 2018

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission file number 000-55798

GH CAPITAL, INC.
(Exact name of registrant as specified in its charter)

Florida	**38-3955212**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 South Biscayne Boulevard, Suite 2790 Miami, FL	**33131**
(Address of principal executive offices)	(Zip Code)

(305) 714-9397
(Registrant's telephone number, including area code)

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

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 past 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, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No.

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

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 159,381,564 shares as of February 11, 2019.

GH CAPITAL, INC.
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GH CAPITAL INC.
BALANCE SHEETS

	December 31, 2018 (Unaudited)	September 30, 2018
ASSETS		
Current Assets:		
Cash	$ 23,705	$ 67,491
Accounts receivable	—	667
Prepaid expenses and other current assets	3,000	7,250
Total Current Assets	26,705	75,408
Total Assets	$ 26,705	$ 75,408
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	$ 32,050	$ 24,690
Accrued expenses	25,263	22,617
Convertible notes payable, net of discounts and premium	263,463	308,275
Deferred revenue	3,333	—
Due to related parties	4,253	4,253
Derivative liabilities	537,794	589,980
Liabilities of discontinued operations	742	14,286
Total Current Liabilities	866,898	964,101
Commitments and Contingencies (see Note 7)		
Stockholders' Deficit:		
Preferred stock ($0.0001 par value; 10,000,000 shares authorized; No shares issued and outstanding at December 31, 2018 and September 30, 2018, respectively)	—	—
Common stock ($0.0001 par value; 490,000,000 shares authorized; 86,551,494 and 61,846,818 shares issued and outstanding at December 31, 2018 and September 30, 2018, respectively)	8,655	6,185
Additional paid-in capital	5,708,403	5,495,986
Accumulated deficit	(6,557,251)	(6,390,864)
Total Stockholders' Deficit	(840,193)	(888,693)
Total Liabilities and Stockholders' Deficit	$ 26,705	$ 75,408

See accompanying notes to financial statements.

GH CAPITAL INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	For the three Months Ended December 31,	
	2018	**2017**
Revenues:	$ —	$ —
Operating Expenses:		
Compensation	6,000	3,500
Professional fees	34,743	69,739
Other selling, general and administrative expenses	2,746	8,198
Total operating expenses	43,489	81,437
Operating loss from operations from continuing operations	(43,489)	(81,437)
Other Income (Expenses):		
Loss from change in fair value of conversion option liability	(3,002)	(202,094)
Gain (loss) from foreign currency transactions	(10)	201
Loss on debt extinguishment	(76,638)	—
Interest expense	(40,895)	(57,699)
Total other income (expenses)	(120,545)	(259,592)
Loss from continuing operations before provision for income taxes	(164,034)	(341,029)
Provision for income taxes	—	—
Loss from continuing operations	(164,034)	(341,029)
Discontinued operations:		
Loss from discontinued operations	(2,353)	(15,017)
Total loss from discontinued operations	(2,353)	(15,017)
Comprehensive Income (loss):		
Net loss	$ (166,387)	$ (356,046)
Unrealized gain (loss) on available-for-sale marketable securities	—	90
Comprehensive loss	$ (166,387)	$ (355,956)
Loss per common share, basic and diluted		
Loss from continuing operations	$ (0.00)	$ (0.01)
Loss from discontinued operations	$ (0.00)	$ (0.00)
Total Loss per common share, basic and diluted	$ (0.00)	$ (0.01)
Weighted Average Common Shares Outstanding - Basic and diluted	68,208,335	60,661,818

See accompanying notes to financial statements.

GH CAPITAL INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2017 AND 2018
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Number	Amount				
Balance at September 30, 2017	60,661,818	$ 6,066	$5,325,192	$ (5,331,892)	$ 896	$ 262
Unrealized gain (loss) on marketable securities	—	—	—	—	90	90
Net loss	—	—	—	(356,046)	—	(356,046)
Balance at December 31, 2017	60,661,818	$ 6,066	$5,325,192	$ (5,687,938)	$ 986	$ (355,694)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
	Number	Amount				
Balance at September 30, 2018	61,846,818	$ 6,185	$5,495,986	$ (6,390,864)	$ —	$ (888,693)
Common stock issued upon conversion of principal amount, accrued interest and conversion fees on convertible notes	24,704,676	2,470	192,965	—	—	195,435
Reclassification of put premium upon conversion of principal amount of a convertible note	—	—	19,452	—	—	19,452
Net loss	—	—	—	(166,387)	—	(166,387)
Balance at December 31, 2018	86,551,494	$ 8,655	$5,708,403	$ (6,557,251)	$ —	$ (840,193)

See accompanying notes to financial statements.

GH CAPITAL INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the three Months Ended December 31, 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (166,387)	$ (356,046)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based conversion fees	1,500	—
Amortization expense of debt discount	23,901	53,333
Loss on debt extinguishment	76,638	—
Loss from change in fair value of conversion option liability	3,002	202,094
Changes in operating assets and liabilities:		
Accounts receivable	667	—
Prepaid expenses	4,250	8,500
Assets of discontinued operations	—	519
Accounts payable	7,360	(9,849)
Accrued expenses	15,494	4,366
Deferred revenue - related party	3,333	—
Liabilities of discontinued operations	(13,544)	(4,166)
Net cash used in operating activities	(43,786)	(101,249)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of convertible debt, net of issuance cost	—	143,250
Net cash provided by financing activities	—	143,250
Net increase (decrease) in cash	(43,786)	42,001
Cash - beginning of year	67,491	12,694
Cash - end of period	$ 23,705	$ 54,695
Cash paid for:		
Interest	$ —	$ —
Income taxes	$ —	$ —
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued for principal amount and accrued interest on convertible debt	$ 62,109	$ —
Unrealized gain (loss) on marketable securities	$ —	$ 90
Debt discounts on convertible debt	$ —	$ 160,000
Reclassification of put premium to additional paid in capital	$ 19,452	$ —

See accompanying notes to financial statements.

GH CAPITAL, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
December 31, 2018
(Unaudited)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

GH Capital Inc. (the "Company"), a Florida corporation, was formed on May 5, 2014 and commenced operations in October 2014. The Company provided online payment processing services to consumers, primarily in Europe and provides certain consulting services to assist companies in going public.

On September 18, 2018, the Company's management terminated the Company's online payment processing services. As a result, the Company will shift its focus to its consulting services business. As such, the online payment processing services business activities were reclassified and reported as part of "discontinued operations".

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Management acknowledges its responsibility for the preparation of the accompanying unaudited condensed financial statements which reflect all adjustments, consisting of normal recurring adjustments, considered necessary in its opinion for a fair statement of its financial position and the results of its operations for the periods presented. The accompanying unaudited condensed financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (the "U.S. GAAP") for interim financial information and with the instructions Article 8-03 of Regulation S-X. Operating results for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole. Certain information and note disclosure normally included in financial statements prepared in accordance with U.S. GAAP has been condensed or omitted from these statements pursuant to such accounting principles and, accordingly, they do not include all the information and notes necessary for comprehensive financial statements. These unaudited condensed financial statements should be read in conjunction with the summary of significant accounting policies and notes to the financial statements for the years ended September 30, 2018 and 2017 of the Company which were included in the Company's annual report on Form 10-K as filed with the Securities and Exchange Commission on December 28, 2018.

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying unaudited condensed financial statements, the Company had a net loss of $166,387 for the three months ended December 31, 2018. The net cash used in operations was $43,786 for the three months ended December 31, 2018. Additionally, the Company had an accumulated deficit of $6,557,251 and a stockholders' deficit of $840,193 at December 31 2018 and has no revenues for the three months ended December 31, 2018. It is management's opinion that these conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the issue date of this report. The Company is in the process in building its customer base and expects to generate increased revenues and the Company is seeking to raise capital through additional debt and/or equity financings to fund its operations in the future. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Although the Company has historically raised capital from sales of common stock and debt financing, there is no assurance that it will be able to continue to do so. If the Company is unable to raise additional capital or secure additional debt in the near future, management expects that the Company will need to curtail its operations. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

GH CAPITAL, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
December 31, 2018
(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of the financial statements in conformity with U.S. 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 amounts of revenues and expenses during the year. Actual results could differ from those estimates. Included in these estimates are assumptions used in determining the allowance for doubtful accounts receivable, the fair value of derivative liabilities, valuation allowance for deferred tax assets and the valuation of stock issued for services or upon conversion of debt.

Fair value of financial instruments and fair value measurements

FASB ASC 820 — *Fair Value Measurements and Disclosures,* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 requires disclosures about the fair value of all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about the fair value of financial instruments are based on pertinent information available to the Company on December 31, 2018. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized on disposition of the financial instruments.

FASB ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1- Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2- Inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3- Inputs are unobservable inputs that reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the balance sheets for cash and cash equivalents, accounts receivable, loans, accounts payable, accrued expenses, and other payables approximate their fair market value based on the short-term maturity of these instruments.

GH CAPITAL, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
December 31, 2018
(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company analyzes all financial and non-financial instruments with features of both liabilities and equity under the FASB's accounting standard for such instruments. Under this standard, financial and non-financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company accounts for the following instruments at fair value.

	At December 31, 2018			At September 30, 2018		
Description	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative liabilities	—	—	$ 537,794	—	—	$ 589,980

Fair Value of Financial Assets and Liabilities Measured on a Recurring Basis

The Company's convertible notes payable approximate the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2018. The Company uses Level 3 of the fair value hierarchy to measure the fair value of the derivative liabilities (see note 4) and revalues its derivative liability on the conversion feature at every reporting period and recognizes gains or losses in the statements of operations that are attributable to the change in the fair value of the derivative liabilities. The fair value of derivative financial instruments, measured and recorded at fair value on the Company's balance sheets on a recurring basis, and their level within the fair value hierarchy as of December 31, 2018 measured $537,794.

A roll forward of the level 3 derivative liabilities is as follows:

Balance at September 30, 2018	$	589,980
Initial fair value of conversion option liabilities		-
Reduction of liability included in loss on debt extinguishment		(55,188)
Loss from change in fair value of conversion option liabilities		3,002
Balance at December 31, 2018	$	537,794

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid instruments with a maturity of three months or less at the purchase date and money market accounts to be cash equivalents. The Company had no cash equivalents at December 31, 2018 and September 30, 2018.

GH CAPITAL, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
December 31, 2018
(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk, Accounts Receivable and Revenues

The Company maintains its cash in financial institutions in the United States for which balances are insured up to Federal Deposit Insurance Corporation limits of $250,000 per account. The Company also maintains cash in financial institutions based in the country of Cyprus. At December 31, 2018, bank accounts in Cyprus are insured for up to $119,000 per Bank under the regulations of the European Union. At times, cash balances may exceed the federally insured limits. The Company had no amounts that exceeded insured limits at December 31, 2018 and September 30, 2018.

There is one customer that accounted for 100 % of the Company's Accounts Receivable balance at September 30, 2018. There was no comparable transaction at December 31, 2018. For the three months ended December 31, 2017, three customers accounted for approximately 96.6% of the total revenues from discontinued operations (39.9%, 8.2% and 48.5% from a related party). There was no comparable transaction during the three months ended December 31, 2018.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets of $3,000 and $7,250 at December 31, 2018 and September 31, 2018, respectively, consist primarily of costs paid for future services which will occur within a year. Prepaid expenses may include prepayments in cash and equity instruments for consulting, public relations and business advisory services, and accounting fees which are being amortized over the terms of their respective agreements.

Impairment of Long-lived Assets

In accordance with ASC Topic 360, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable, or at least annually. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value.

Derivative Liabilities

The Company evaluates all its financial instruments to determine if those contracts or any potential embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with FASB ASC 815-10-05-4 and 815-40. This accounting treatment requires that the carrying amount of any embedded conversion options be recorded at fair value at issuance and marked-to-market at each balance sheet date. In the event that the fair value is recorded as a liability, as is the case with the Company, the change in the fair value during the period is recorded as either other income or expense. Upon conversion, exercise and repayment, the respective derivative liability is marked to fair value at the conversion, repayment or exercise date, and then the related fair value amount is reclassified to other income or expense as part of gain or loss on debt extinguishment.

GH CAPITAL, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
December 31, 2018
(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606 Revenue from Contracts with Customers ("ASC 606"), which requires revenue to be recognized in a manner that depicts the transfer of goods or services to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company adopted ASC 606 beginning October 1, 2018. There are two sources of recognized revenue. These comprise (1) payment processing services related to online money transfer transactions for diversified online merchants with a target market in Europe and (2) consulting for business development. For the consulting services, included in continuing operations, revenue is recognized when the Company satisfies the performance obligation based on the consulting agreement. In the payment processing segment, which is included in loss from discontinued operations, revenues consisted of fees generated through the electronic processing of payment transactions and related services, and was recognized as revenue during the period the transactions were processed or when the related services were performed. Merchants may be charged for these processing services at a bundled rate based on a percentage of the dollar amount of each transaction and, in some instances, additional fees are charged for each transaction. Merchant customers were generally charged a flat fee plus percentage per transaction, while others may also be charged miscellaneous fees, including fees for chargebacks or returns, monthly minimums, and other miscellaneous services.

Revenues also included any up-front fees for the work involved in implementing the basic functionality required to provide electronic payment processing services to a customer. Revenue from such implementation fees was recognized over the term of the related service contract. The Company's revenue was comprised of monthly recurring services provided to customers, for whom charges are contracted for over a specified period of time. Payments received from customers that are related to future periods are recorded as deferred revenue until the service is provided.

Cost of Revenues

Cost of revenues if any relates to the Company's consulting service business.

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of ASC 718, Share-Based Payment, which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The Financial Accounting Standards Board ("FASB") also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award. Pursuant to ASC Topic 505-50, for share-based payments non-employees, compensation expense is determined at the measurement date defined as the earlier of; a) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached or; b) the date at which the counterparty's performance is complete.

The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company records compensation expense based on the fair value of the award at the reporting date. The awards to consultants and other third-parties are then revalued, or the total compensation is recalculated, based on the then current fair value, at each subsequent reporting date.

GH CAPITAL, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
December 31, 2018
(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Research and Development

Research and development costs are expensed as incurred.

Loss per Common Share and Common Share Equivalent

Basic net loss per share is computed by dividing the net loss by the weighted average number of common shares during the period. Diluted net loss per share is computed using the weighted average number of common shares and potentially dilutive securities outstanding during the period. At December 31, 2018, the Company has 42,936,507 and 50,000 potentially dilutive securities outstanding, related to the convertible promissory notes and outstanding stock warrants, respectively, At December 31, 2017, the Company has 548,885 potentially dilutive securities outstanding related to the convertible promissory notes. Those potentially dilutive common stock equivalents were excluded from the dilutive loss per share calculation as they would be antidilutive due to the net loss during the three months ended December 31, 2018 and 2017. In addition, there were 39,960,798 shares reserved for issuance related to convertible note agreements.

Foreign Currency Transactions

The reporting and functional currency of the Company is the U.S. dollar. Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date with any transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred. Transaction gains or losses have not had, and are not expected to have, a material effect on the results of operations of the Company.

Recently Issued Accounting Standards

From time to time, the FASB or other standards setting bodies will issue new accounting pronouncements. Updates to the FASB ASC are communicated through issuance of an Accounting Standards Update (“ASU”).

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” whereby lessees will need to recognize almost all leases on their balance sheet as a right of use of asset and a lease liability. This guidance is effective for interim and annual reporting beginning after December 15, 2018. The Company does not anticipate this ASU to have a material impact on its financial statements on January 1, 2019.

In June 2018, the FASB issued ASU No. 2018-07, Improvements to Nonemployee Share-Based Payment Accounting, which simplifies several aspects of the accounting for nonemployee share-based payment transactions by expanding the scope of the stock-based compensation guidance in ASC 718 to include share-based payment transactions for acquiring goods and services from non-employees. ASU No. 2018-07 is effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods. Early adoption is permitted, but entities may not adopt prior to adopting the new revenue recognition guidance in ASC 606. The Company has assessed the impact that adopting this new accounting guidance will have on its financial statements and footnote disclosures and believes such impact will not be material.

In August 2018, the FASB issued ASU 2018-13, “Changes to Disclosure Requirements for Fair Value Measurements”, which will improve the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements. The standard removes, modifies, and adds certain disclosure requirements, and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company will be evaluating the impact this standard will have on the Company’s financial statements.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

GH CAPITAL, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
December 31, 2018
(Unaudited)

NOTE 3 – RELATED PARTY TRANSACTIONS

On March 30, 2015, the Company entered into a services contract with Global Humax Cyprus Ltd. ("Cyprus"), a company owned by the Company's chief executive officer. Under the terms of the contract, the Company will provide services to Cyprus for a period of two years from the date of the agreement. Additionally, the Company earns fees from the processing of payment transactions and related services from Cyprus. For the three months ended December 31, 2018 and 2017, aggregate revenues from discontinued operations – related party amount to $0 and $3,411 respectively.

During fiscal year 2015, Cyprus paid various general and administrative expenses on behalf of the Company in the amount of $3,173. These advances are non-interest bearing and are due on demand. At December 31, 2018 and September 30, 2018, the Company owed Cyprus $3,173 and $3,173, respectively.

During fiscal year 2015, the Company's Chief Executive Officer advanced $10 to the Company for working capital purpose. The advance is non-interest bearing and payable on demand. At December 31, 2018 and September 30, 2018, the Company owed its Chief Executive Officer $10 and $10, respectively.

During fiscal year 2018, the Company's Attorney who is a director of the Company advanced $1,070 to the Company for working capital purpose. The advance is non-interest bearing and payable on demand. At December 31, 2018 and September 30, 2018, the Company owed its Attorney $1,070 and $0, respectively.

During the three months ended December 31, 2018 and 2017, the Company paid cash compensation to a designated member of its board of directors in the amount of $3,000 and $3,500, respectively, in connection with a written agreement with the director.

NOTE 4– CONVERTIBLE NOTES PAYABLE

On October 10, 2017, the Company issued a 12% Convertible Promissory Note for principal borrowings of $160,000 to a non-related party. The 12% convertible promissory note and all accrued interest are due on July 10, 2018. The Company received proceeds of $143,250 in cash which is net of offering costs of $16,750, recorded as a discount. The note is unsecured and bears interest at the rate of 12% per annum from the issuance date thereof until the note is paid. The note holder shall have the right to convert beginning on the date which is following the issuance date the outstanding principal amount and accrued but unpaid interest into the Company's common stock at a conversion price equal to a price which is the lower of $0.65 per share or 55% of the lowest trading price of the Company's common stock during the 25 trading days immediately preceding the conversion date. At any time during the period beginning on the issue date and ending on the date which is 90 days following the issue date, the Borrower shall have the right, exercisable on not less than 3 trading days prior written notice to the holder of the Note to prepay the outstanding Note (principal and accrued interest), in full by making a payment to the Holder of an amount in cash equal to 130%, multiplied by the sum of then outstanding principal amount of the Note plus accrued and unpaid interest on the unpaid principal amount of the Note plus default interest, if any. During the first 180 days following the date of the note, the Company has the right to prepay the principal and accrued but unpaid interest due under the note, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium of 140%. After this initial 180-day period, the Company does not have a right to prepay the note. Any amount of principal or interest on this note which is not paid when due shall bear interest at the rate of 24% per annum from the due date thereof until the same is paid.

GH CAPITAL, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
December 31, 2018
(Unaudited)

NOTE 4– CONVERTIBLE NOTES PAYABLE (continued)

The conversion price, however, is subject to full ratchet anti-dilution in the event that the Company issues any securities at a per share price lower than the conversion price then in effect. The Note contains representations, warranties, and events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments.

On April 26, 2018 the Company issued 25,000 shares of common stock to the noteholder with a contractual conversion price of $0.04 to convert $0 principal amount with $501 of accrued and unpaid interest and $500 conversion fee, totaling $1,001.

On May 25, 2018 the Company issued 50,000 shares of common stock to the noteholder with a contractual conversion price of $0.03 to convert $0 principal amount with $902 of accrued and unpaid interest and $500 conversion fee, totaling $1,402.

On June 12, 2018 the Company issued 110,000 shares of common stock to the noteholder with a contractual conversion price of $0.03 to convert $0 principal amount with $2,585 of accrued and unpaid interest and $500 conversion fee, totaling $3,085.

On July 10, 2018, the Company failed to make the repayment of the outstanding principal and interest at the maturity date which causes the default interest rate of 24% to become effective.

On August 21, 2018 the Company issued 150,000 shares of common stock to the noteholder with a contractual conversion price of $0.02 to convert $0 principal amount with $2,056 of accrued and unpaid interest and $500 conversion fee, totaling $2,556.

On September 7, 2018 the Company issued 100,000 shares of common stock to the noteholder with a contractual conversion price of $0.01 to convert $0 principal amount with $544 of accrued and unpaid interest and $500 conversion fee, totaling $1,044.

On September 28, 2018 the Company issued 180,000 shares of common stock to the noteholder with a contractual conversion price of $0.0048 to convert $0 principal amount with $364 of accrued and unpaid interest and $500 conversion fee, totaling $864. The conversion price falling below $0.01 triggered clause 1.4(g) of the promissory note which allows for the principal amount of the note to increase by $15,000. Per the noteholder, this $15,000 will be added to the principal at the end of the note, allowing the Company to convert out of the original principal and interest first, however, for accounting purposes the $15,000 was added to the principal on September 25, 2018. In addition, the variable conversion price shall be redefined to mean 40% multiplied by the market price (or a 60% discount).

Between October 10, 2018 and December 27, 2018, the Company issued an aggregate of 5,600,000 shares of common stock to the noteholder with a contractual conversion price of $0.002 to convert $0 principal amount with $12,848 of accrued and unpaid interest, totaling $12,848.

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NOTE 4– CONVERTIBLE NOTES PAYABLE (continued)

As of December 31, 2018, the principal balance of this note is $175,000 and accrued interest of $16,176.

In February 2018, under a Securities Purchase Agreement, the Company issued a 10% Convertible Promissory Note for principal borrowings of up to $180,000 and received initial proceeds of $60,000. In June 2018, the Company received additional proceeds of $20,000 which resulted to a total of $80,000 proceeds. The 10% convertible promissory notes and all accrued interest are due in twelve months from the effective date of each tranche. The notes are unsecured and bears interest at the rate of 10% per annum from the issuance date thereof until the notes are paid. The note holder shall have the right to convert beginning on the issuance date, the outstanding principal amount and accrued but unpaid interest into the Company's common stock at a conversion price to a price which is 65% of the lowest trading price of the Company's common stock during the 25 prior trading days to the conversion date subject to increases in the discount rate based on certain future events. If at any time while this note is outstanding, the conversion price is equal to or lower than $0.15, then an additional 15% discount shall be added into the conversion price resulting in a discount rate of 50%.

During the first 90 days following the date of this note, the Company has the right to prepay the principal and accrued but unpaid interest due under this note, together with any other amounts that the Company may owe the holder under the terms of this note, at a premium ranging from 135% to 145% as defined in the note agreement. After this initial 90-day period, the Company does not have a right to prepay the note. Any amount of principal or interest on this note which is not paid when due shall bear interest at the rate of 15% per annum from the due date thereof until the same is paid. The conversion price, however, is subject to full ratchet anti-dilution in the event that the Company issues any securities at a per share price lower than the conversion price then in effect.

The Company paid an original issuance discount of $8,000 and related loan fees of $3,500 in connection with this note payable which is being amortized over the term of the note. The Note contains representations, warranties, events of default, beneficial ownership limitations, piggyback registration rights and other provisions that are customary of similar instruments.

On September 5, 2018 the Company issued 270,000 shares of common stock to the noteholder with a contractual conversion price of $0.01 to convert $3,023 principal amount with $0 of accrued and unpaid interest and $500 conversion fee, totaling $3,523.

Between October 4, 2018 and December 21, 2018, the Company issued an aggregate of 9,124,000 shares of common stock to the noteholder with a contractual conversion price of $0.002 to convert $18,836 principal amount with $0 of accrued and unpaid interest and $1,500 conversion fee, totaling $20,336.

As of December 31, 2018, the principal balance of this note is $58,140 and accrued interest of $5,926.

The Company evaluated whether or not the above two convertible promissory notes contains embedded conversion features, which meet the definition of derivatives under ASC 815 and related interpretations. The Company determined that the terms of the notes discussed above contains conversion terms, primarily those resulting in an indeterminable number of shares being issued upon conversion which causes the embedded conversion option to be bifurcated and accounted for as derivative liability at fair value.

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NOTE 4– CONVERTIBLE NOTES PAYABLE (continued)

In connection with the issuance of these notes during fiscal year 2018, on the initial measurement date of the notes, the fair values of the embedded conversion option of $423,778 was recorded as derivative liabilities of which $218,234 was charged to current period operations as initial derivative expense, and $205,544 was recorded as a debt discount which will be amortized into interest expense over the term of the note. Upon conversions during the three months ended December 31, 2018, the respective derivative liability was marked to fair value at the conversion, and then a related fair value amount of $55,188 relating to the portion of debt converted was reclassified to other income or expense as part of gain or loss on debt extinguishment. Additionally, the Company recorded loss on debt extinguishment of $131,826 during the three months ended December 31, 2018 in connection with the conversion of notes.

At the end of each reporting period, the Company revalues the embedded conversion option derivative liabilities. In connection with the revaluation, the Company recorded a loss from change in fair value of conversion option liability of $3,002 and $202,094 for the three months ended December 31, 2018 and 2017, respectively (see Note 2).

In June 2018, under a Securities Purchase Agreement, the Company issued a 10% Convertible Promissory Note for principal borrowings of up to $58,000. The 10% convertible promissory note and all accrued interest are due in June 2019. The note is unsecured and bears interest at the rate of 10% per annum from the issuance date thereof until the notes are paid. The note holder has the right to convert beginning 180 days following the issuance date, the outstanding principal amount and accrued but unpaid interest into the Company's common stock at a conversion price equal to 61% of the average of the lowest two trading prices of the Company's common stock during the 20 trading days immediately preceding the conversion date. During the first 30 to 180 days following the date of the note, the Company has the right to prepay the principal and accrued but unpaid interest due under these notes, together with any other amounts that the Company may owe the holder under the terms of these notes, at a premium ranging from 115% to 140% as defined in the note agreements. After this initial 180-day period, the Company does not have a right to prepay the note. The Company paid original issuance cost and related loan fees of $3,000 in connection with this note payable which is being amortized over the term of the note. The Company granted the note holder 50,000 warrants in connection with the issuance of this note. The warrants had a term of 5 years from the date of grant and was exercisable at an exercise price of $0.40.

Between December 26, 2018 and December 31, 2018, the Company issued an aggregate of 9,980,676 shares of common stock to the noteholder with a contractual conversion price of $0.003 to convert $30,425 principal amount with $0 of accrued and unpaid interest, totaling $30,425.

During fiscal 2018, the Company accounted for the warrants by using the relative fair value method and recorded debt discount from the relative fair value of the warrants of $6,206 using a simple binomial lattice model. The Company has accounted for this convertible promissory note as stock settled debt under ASC 480 and in June 2018, the Company recorded an original debt premium liability of $37,082 and a charge to interest expense of $37,082. Upon conversions during the three months ended December 31, 2018, Put Premium of $19,452 was reclassified to additional paid-in capital. As of December 31, 2018, the principal balance of this note was $27,575 and accrued interest of $3,160.

For the three months ended December 31, 2018 and 2017, amortization of debt discounts related to all convertible promissory notes amounted to $23,901 and $53,333 which has been amortized to interest expense on the accompanying statements of operations.

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NOTE 4– CONVERTIBLE NOTES PAYABLE (continued)

During the three months ended December 31, 2018 the fair value of the derivative liabilities were estimated using the Binomial option pricing method with the following assumptions:

Dividend rate	0 %
Term (in years)	0.01 to 0.44 years
Volatility	426.08 %
Risk-free interest rate	2.44 to 2.56 %

At December 31, 2018 and September 30, 2018, the components of convertible promissory notes, net consisted of the following:

	December 31, 2018	September 30, 2018
Principal amount of convertible notes	$ 260,715	$ 309,976
Debt premium liability	17,630	37,082
Unamortized debt discount	(14,882)	(38,783
Convertible notes payable, net – current	$ 263,463	$ 308,275

NOTE 5 – STOCKHOLDERS' DEFICIT

Preferred Stock

The Company has 10,000,000 shares of preferred stock authorized. Preferred stock may be issued in one or more series. The Company's board of directors is authorized to issue the shares of preferred stock in such series and to fix from time to time before issuance thereof the number of shares to be included in any such series and the designation, powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of such series. No shares of preferred stock have been issued as of December 31, 2018 and September 30, 2018.

Common Stock

Between October 4, 2018 and December 31, 2018, the Company issued an aggregate of 24,704,676 shares of the Company's common stock to note holders with contractual conversion prices ranging from $0.002 to $0.003 to convert $49,261 in principal amount with $12,848 of accrued and unpaid interest and $1,500 of conversion fees, totaling $63,609. The shares were valued at their fair value of $195,435 using the closing quoted trading price of the Company's common stock on the date of grants ranging from $0.01 to $0.03 per common share.

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NOTE 6 – DISCONTINUED OPERATIONS

The remaining assets and liabilities of discontinued operations are presented in the balance sheets under the caption "Assets of discontinued operations" and "Liabilities of discontinued operations" which relates to the operations of the online payment processing services. The carrying amounts of the major classes of these assets and liabilities as of December 31, 2018 and September 30, 2018 are summarized as follows:

	December 31 2018	September 30, 2018
Liabilities:		
Accounts payable	$ 742	$ 14,286
Liabilities of discontinued operations	$ 742	$ 14,286

The following table sets forth for three months ended December 31, 2018 and 2017, indicated selected financial data of the Company's discontinued operations of its online payment processing services.

	For the three months ended December 31, 2018	2017
Revenues	$ —	$ 7,029
Cost of sales	(2,353)	(7,421)
Gross income (loss)	(2,353)	(392)
Operating expenses	—	(14,625)
Loss from discontinued operations	$ (2,353)	$ (15,017)

GH CAPITAL, INC.
CONDENSED NOTES TO FINANCIAL STATEMENTS
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NOTE 7 – COMMITMENTS AND CONTINGENCIES

From time to time, we may become involved in various lawsuits and legal proceedings, which arise, in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

NOTE 8 – SUBSEQUENT EVENTS

Between January 3, 2019 and February 7, 2019, the Company issued an aggregate of 72,830,070 shares of the Company's common stock to note holders with contractual conversion prices ranging from $0.001 to $0.005 to convert $73,244 in principal amount with $20,571 of accrued and unpaid interest and $5,000 of conversion fees, totaling $98,815. The shares were valued at their fair value of $568,331 using the closing quoted trading price of the Company's common stock on the date of grants ranging from $0.01 to $0.02 per common share.

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

Cautionary Note Regarding Forward-Looking Information and Factors That May Affect Future Results

This quarterly report on Form 10-Q contains forward-looking statements regarding our business, financial condition, results of operations and prospects. The Securities and Exchange Commission (the "SEC") encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This quarterly report on Form 10-Q and other written and oral statements that we make from time to time contain such forward-looking statements that set out anticipated results based on management's plans and assumptions regarding future events or performance. We have tried, wherever possible, to identify such statements by using words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance or results of current and anticipated sales efforts, expenses, the outcome of contingencies, such as legal proceedings, and financial results. Factors that could cause our actual results of operations and financial condition to differ materially are set forth in the "Risk Factors" section of our annual report on Form 10-K for the fiscal year ended September 30, 2018, as filed with the SEC on December 28, 2018.

We caution that these factors could cause our actual results of operations and financial condition to differ materially from those expressed in any forward-looking statements we make and that investors should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors emerge from time to time, and it is not possible for us to predict all of such factors. Further, we cannot assess the impact of each such factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report on Form 10-Q.

Business Overview

We were incorporated on May 5, 2014 in the State of Florida and commenced operations in October 2014. We provided online payment processing services to consumers, primarily in Europe and provide certain consulting services to assist companies in going public.

On September 18, 2018, our management terminated our online payment processing services. As a result, we will shift our focus to our consulting services business. As such, the online payment processing services business activities were reclassified and reported as part of "discontinued operations".

We did not generate revenues from continuing operations during the three months ended December 31, 2018 and 2017.

Plan of Operations

The Company's strategy is to focus on its consulting services for business development to assist companies in going public.

Critical Accounting Policies and Estimates

While our significant accounting policies are more fully described in Note 2 to our financial statements, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating this management's discussion and analysis.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 amounts of revenues and expenses during the year. Actual results could differ from those estimates. Included in these estimates are assumptions used in determining the allowance for doubtful accounts receivable, the fair value of derivative liabilities, valuation allowance for deferred tax assets and the valuation of stock issued for services or upon conversion of debt.

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of ASC 718, Share-Based Payment, which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The Financial Accounting Standards Board ("FASB") also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award. Pursuant to ASC Topic 505-50, for share-based payments non-employees, compensation expense is determined at the measurement date defined as the earlier of a) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached or b) the date at which the counterparty's performance is complete.

The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company records compensation expense based on the fair value of the award at the reporting date. The awards to consultants and other third-parties are then revalued, or the total compensation is recalculated, based on the then current fair value, at each subsequent reporting date.

Recently Issued Accounting Standards

From time to time, the FASB or other standards setting bodies will issue new accounting pronouncements. Updates to the FASB ASC are communicated through issuance of an Accounting Standards Update ("ASU").

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" whereby lessees will need to recognize almost all leases on their balance sheet as a right of use of asset and a lease liability. This guidance is effective for interim and annual reporting beginning after December 15, 2018. The Company does not anticipate this ASU to have a material impact on its financial statements on January 1, 2019.

In June 2018, the FASB issued ASU No. 2018-07, Improvements to Nonemployee Share-Based Payment Accounting, which simplifies several aspects of the accounting for nonemployee share-based payment transactions by expanding the scope of the stock-based compensation guidance in ASC 718 to include share-based payment transactions for acquiring goods and services from non-employees. ASU No. 2018-07 is effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods. Early adoption is permitted, but entities may not adopt prior to adopting the new revenue recognition guidance in ASC 606. The Company has assessed the impact that adopting this new accounting guidance will have on its financial statements and footnote disclosures and believes such impact will not be material.

In August 2018, the FASB issued ASU 2018-13, "Changes to Disclosure Requirements for Fair Value Measurements", which will improve the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements. The standard removes, modifies, and adds certain disclosure requirements, and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company will be evaluating the impact this standard will have on the Company's financial statements.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Results of Operations

Revenues

For the three months ended December 31, 2018 and 2017, we did not generate revenues or cost of revenues from continuing operations.

On September 18, 2018, our management terminated our online payment processing services. As a result, we will shift our focus to our consulting services business. As such, the online payment processing services business activities were reclassified and reported as part of "discontinued operations" (see below).

Operating Expenses

For the three months ended December 31, 2018, we incurred $43,489 in operating expenses as compared to $81,437 for the three months ended December 31, 2017, a decrease of $37,948 or 46.6%. Operating expenses consisted of the following:

	Three months Ended December 31,	
	2018	**2017**
Compensation	$ 6,000	$ 3,500
Professional fees	34,743	69,739
Other selling, general and administrative expenses	2,746	8,198
Total	$ 43,489	$ 81,437

Operating expenses increased primarily due to the following:

- An increase in compensation of $2,500 or 71.4% due to the hiring of our new CEO in October 2018.
- A $34,996 or 50.2% decrease in professional fees primarily related to decrease in consulting fees.
- A decrease of $5,452 or 66.5% in other selling, general and administrative expenses primarily related to decrease in travel expenses.

Operating loss from operations from continuing operations

For the three months ended December 31, 2018, we incurred a loss from operations of $43,489 as compared to $81,437 for the three months ended December 31, 2017, a decrease of $37,948 or 46.6%. The decrease was resulting from the discussion above.

Discontinued Operations

The remaining assets and liabilities of discontinued operations are presented in the balance sheets under the caption "Assets of discontinued operations" and "Liabilities of discontinued operations" which relate to the operations of the online payment processing services. The carrying amounts of the major classes of these assets and liabilities as of December 31, 2018 and 2017 are summarized as follows:

	December 31 2018	September 30, 2018
Liabilities:		
Accounts payable	$ 742	$ 14,286
Liabilities of discontinued operations	$ 742	$ 14,286

The following table sets forth for three months ended December 31, 2018 and 2017, indicated selected financial data of the Company's discontinued operations of its online payment processing services.

	For the three months ended December 31, 2018	2017
Revenues	$ —	$ 7,029
Cost of sales	(2,353)	(7,421)
Gross income (loss)	(2,353)	(392)
Operating expenses	(—)	(14,625)
Loss from discontinued operations	$ (2,353)	$ (15,017)

Other Expenses

For the three months ended December 31, 2018, we incurred total other expenses of $120,545 as compared to other expenses of $259,592 for the three months ended December 31, 2017, a decrease of $139,047 or 53.6%. The decrease in other expenses was primarily related to the decrease from changes in fair value of the conversion option liability of $199,092 and decrease in interest expense of $16,804 offset by increase in loss on debt extinguishment of $76,638.

Net Loss

For the three months ended December 31, 2018, we incurred a net loss of $166,387 or $(0.00) per common share as compared to $356,046 or $(0.01) per common share for the three months ended December 31, 2017. The decrease was resulting from the discussion above.

Unrealized Gain (Loss) on Available-for-sale Marketable Securities

For the three months ended December 31, 2018, we incurred an unrealized gain (loss), on available-for-sale marketable securities of $0 as compared to $90 for the three months ended December 31, 2017, a decrease of $90 or 100% related to our marketable securities that we sold during fiscal 2018.

Comprehensive Loss

For the three months ended December 31, 2018, we incurred a comprehensive loss of $166,387 as compared to $355,956 for the three months ended December 31, 2017, a decrease of $189,569 or 53.2%. The decrease was resulting from the discussion above.

Liquidity, Capital Resources, and Off-Balance Sheet Arrangements

Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. We had a working capital deficit of $840,193 and $23,705 of cash at December 31, 2018 and working capital of $888,693 and $67,491 of cash at September 30, 2018.

The decrease in working capital deficit was primarily attributable to a decrease in derivative liabilities of $52,186 during the period.

Cash flows for the three months ended December 31, 2018 compared to the three months ended December 31, 2017

Net cash flow used in operating activities was $43,786 for the three months ended December 31, 2018 as compared to $101,249 for the three months ended December 31, 2017, a decrease of $57,463.

- Net cash flow used in operating activities for the three months ended December 31, 2018 primarily reflected a net loss of $166,387 and the add-back of non-cash items consisting of, amortization of debt discount of $23,901, stock based conversion fees of $1,500, loss on debt extinguishment of $76,638, a loss from change in fair value of conversion option liability of $3,002, and changes in operating assets and liabilities of $17,560 primarily related to a decrease in prepaid expenses of $4,250, an increase in accounts payable of $7,360, an increase in accrued expenses of $15,494 offset by a decrease in liabilities of discontinued operations of $13,544. During the three months ended December 31, 2018, cash used in operating activities primarily consisted of payments of professional fees.

- Net cash flow used in operating activities for the three months ended December 31, 2017 primarily reflected a net loss of $356,046 and the add-back of non-cash items consisting of, amortization of debt discount of $53,333 and a loss from change in fair value of conversion option liability of $202,094, offset by changes in operating assets and liabilities of $630 primarily related to a decrease in prepaid expenses of $8,500, offset by a decrease in accounts payable of $9,849, a decrease in liabilities of discontinued operations of $4,166 and an increase in accrued expenses of $4,366. During the three months ended December 31, 2017, cash used in operating activities primarily consisted of payments of professional fees.

Net cash flow used in investing activities was $ 0 for the three months ended December 31, 2018 as compared to net cash provided by investing activities of $0 for the three months ended December 31, 2017.

Net cash provided by financing activities was $0 for the three months ended December 31, 2018 as compared to $143,250 for the three months ended December 31, 2017. During the three months ended December 31, 2017, we received net proceeds from convertible debt of $143,250

Cash Requirements

Our management does not believe that our current capital resources will be adequate to continue operating our company and maintaining our business strategy for much more than 12 months. At the date hereof, we have minimal cash at hand. We require additional capital to implement our business and fund our operations.

Since inception we have funded our operations primarily through equity financings and we expect that we will continue to fund our operations through the equity and debt financing, either alone or through strategic alliances. Additional funding may not be available on favorable terms, if at all. We intend to continue to fund our business by way of equity or debt financing until natural revenues can support the Company. If we raise additional capital through the issuance of equity or convertible debt securities, the percentage ownership of our company held by existing shareholders will be reduced and those shareholders may experience significant dilution. In addition, new securities may contain certain rights, preferences or privileges that are senior to those of our common stock. We cannot assure you that we will be able to raise the working capital as needed in the future on terms acceptable to us, if at all.

If we are unable to raise capital as needed, we are required to reduce the scope of our business development activities, which could harm our business plans, financial condition and operating results, or cease our operations entirely, in which case, you will lose all of your investment.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our stockholders.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports, filed under the Securities Exchange Act of 1934, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

As required by the SEC Rules 13a-15(b) and 15d-15(b), we carried out an evaluation under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level due to material weaknesses in internal controls over financial reporting.

To address these material weaknesses, management engaged financial consultants, performed additional analyses and other procedures to ensure that the financial statements included herein fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented.

A material weakness is a deficiency, or a combination of deficiencies, within the meaning of Public Company Accounting Oversight Board ("PCAOB") Audit Standard No. 5, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management has identified the following material weaknesses which have caused management to conclude that as of December 31, 2018 our internal controls over financial reporting were not effective at the reasonable assurance level:

1. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act which is applicable to us for the year ended September 30, 2018. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

2. We do not have sufficient resources in our accounting function, which restricts the Company's ability to gather, analyze and properly review information related to financial reporting in a timely manner. In addition, due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

3. We do not have personnel with sufficient experience with United States generally accepted accounting principles to address complex transactions.

4. We have inadequate controls to ensure that information necessary to properly record transactions is adequately communicated on a timely basis from non-financial personnel to those responsible for financial reporting. Management evaluated the impact of the lack of timely communication between non–financial personnel and financial personnel on our assessment of our reporting controls and procedures and has concluded that the control deficiency represented a material weakness.

5. We have determined that oversight over our external financial reporting and internal control over our financial reporting is ineffective. The Chief Financial Officer has not provided adequate review of the Company's SEC's filings and financial statements and has not provided adequate supervision and review of the Company's accounting personnel or oversight of the independent registered accounting firm's audit of the Company's financial statement.

We have taken steps to remediate some of the weaknesses described above, including by engaging a financial reporting advisor with expertise in accounting for complex transactions. We intend to continue to address these weaknesses as resources permit.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

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

Between October 4, 2018 and February 7, 2019, the Company issued an aggregate of 97,534,746 shares of the Company's common stock to note holders with contractual conversion prices ranging from $0.001 to $0.005 to convert $122,505 in principal amount with $33,419 of accrued and unpaid interest and $6,500 of conversion fees, totaling $162,424. The shares were valued at their fair value of $763,766 using the closing quoted trading price of the Company's common stock on the date of grants ranging from $0.01 to $0.03 per common share. All unregistered shares were issued pursuant to conversions of promissory notes pursuant to Section 3(a)(9) of the Securities Act of 1933. The underlying notes were issued pursuant to Rule 506(b) of Regulation D of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act Of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act Of 2002.
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002.
101.INS*	XBRL INSTANCE DOCUMENT
101.SCH*	XBRL TAXONOMY EXTENSION SCHEMA
101.CAL*	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF*	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB*	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE*	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* Filed herewith.

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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.

GH CAPITAL, INC.

Dated: February 14, 2019

By: */s/* William Bollander
William Bollander
Chief Executive Officer (principal executive officer)

Dated: February 14, 2019

By: */s/* William Bollander
William Bollander
Chief Financial Officer (principal financial officer and principal accounting officer)

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William Bollander, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended December 31, 2018 of GH Capital, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure 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

5. 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.

Date: February 14, 2019

/s/ William Bollander
William Bollander
Chief Executive Officer (principal executive officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William Bollander, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended December 31, 2018 of GH Capital, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure 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

5. 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.

Date: February 14, 2019

/s/ William Bollander
William Bollander
Chief Financial Officer (principal financial and accounting officer)

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of GH Capital, Inc. (the “Company”) for the quarter ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William Bollander, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 14, 2019

// William Bollander
William Bollander
Chief Executive Officer and Chief Financial Officer
(principal executive officer and principal financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.