

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, 2016

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

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

Commission File Number 814-00175

**ENERGYTEK CORP.**  
(Exact name of Registrant as specified in its charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

88-0490034  
(I.R.S. Employer  
Identification Number)

7600 E. Redfield Rd., #100  
Building A  
Scottsdale, AZ  
(Address of principal executive offices)

85260  
(Zip Code)

(888) 875-9928

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of November 17, 2016, there were 431,333,964 shares of the registrant's \$.001 par value common stock issued and outstanding.

**EnergyTek Corp.**  
**(Formerly Broadleaf Capital Partners, Inc.)**  
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**PART I - FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS**

**ENERGYTEK CORP.**  
**(FORMERLY BROADLEAF CAPITAL PARTNERS, INC.)**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>September 30,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
	<u>(Unaudited)</u>	
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 774,363	\$ 3,165
Escrow fund	214,750	—
Deferred contract software development costs - related party	—	55,938
Prepaid expenses and other current assets	10,971	3,000
Total current assets	1,000,084	62,103
<b>Other Assets:</b>		
Goodwill	6,160,229	—
Property and equipment, net	41,887	42,297
Deposit	44,876	—
<b>Total Assets</b>	<b>\$ 7,247,076</b>	<b>\$ 104,400</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 35,829	\$ 2,617
Notes payable - related party	174,058	—
Unearned revenue - related party	—	156,000
Loans from officer	—	161,800
Total current liabilities	209,887	320,417
<b>Long Term Liabilities:</b>		
Convertible notes payable	—	25,000
Accrued interest	—	1,593
Derivative liability	1,103,276	—
Total long term liabilities	1,103,276	26,593
Total liabilities	1,313,163	347,010
<b>Commitments and Contingencies</b>	—	—
<b>Mezzanine Equity</b>		
Preferred Series A stock, par value \$.01 per share, 134,000 shares authorized; 133,334 and 0 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively. Stated at redemption value net of discount.	396,728	—
<b>Shareholders' Equity/(Deficit):</b>		
Preferred Stock, par value \$.01, 10,000,000 shares authorized all series:		
Preferred Series A-1 stock, par value \$.01 per share, 21,000 shares authorized; 20,371 and 0 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively	204	—
Preferred Series B stock, par value \$.01 per share, 300,000 shares authorized; no shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively	—	—
Series C stock, par value \$.01 per share, 753 and 0 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively	8	—
Common stock, par value \$.001 per share, 500,000,000 shares authorized; 430,087,964 and 414,000,000 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively	430,088	414,000
Additional paid-in capital	6,372,596	(164,000)
Accumulated deficit	(1,265,711)	(492,610)
Total shareholders' equity/(deficit)	5,537,185	(242,610)
<b>Total Liabilities and Shareholders' Equity/(Deficit)</b>	<b>\$ 7,247,076</b>	<b>\$ 104,400</b>

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

**ENERGYTEK CORP.**  
**(FORMERLY BROADLEAF CAPITAL PARTNERS, INC.)**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Revenues	\$ —	\$ —	\$ 203,640	\$ 6,500
Operating expenses:				
Research and development	205,503	119,345	544,235	279,640
Occupancy	10,114	7,500	27,595	7,500
Depreciation	3,152	2,715	9,147	6,731
Other operating expenses	373,769	2,836	385,365	12,094
Total operating expenses	<u>592,538</u>	<u>132,396</u>	<u>966,342</u>	<u>305,965</u>
Loss from operations	(592,538)	(132,396)	(762,702)	(299,465)
Other income (expense):				
Interest expense	(4,286)	(687)	(10,399)	(1,154)
Total other income (expense)	<u>(4,286)</u>	<u>(687)</u>	<u>(10,399)</u>	<u>(1,154)</u>
Loss before income taxes	(596,824)	(133,083)	(773,101)	(300,619)
Income tax expense	—	—	—	—
Net loss	(596,824)	(133,083)	(773,101)	(300,619)
Accretion on Series A preferred stock	<u>(397,591)</u>	—	<u>(397,591)</u>	—
Net loss attributed to common shareholders	<u>\$ (994,415)</u>	<u>\$ (133,083)</u>	<u>\$ (1,170,692)</u>	<u>\$ (300,619)</u>
Basic net loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Diluted net loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Basic weighted average common shares outstanding	<u>415,691,123</u>	<u>414,000,000</u>	<u>414,567,822</u>	<u>414,000,000</u>
Diluted weighted average common shares outstanding	<u>415,691,123</u>	<u>414,000,000</u>	<u>414,567,822</u>	<u>414,000,000</u>

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

**ENERGYTEK CORP.**  
**(FORMERLY BROADLEAF CAPITAL PARTNERS, INC.)**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	Nine Months Ended	
	September 30, 2016	September 30, 2015
<b>Operating Activities:</b>		
Net loss	\$ (773,101)	\$ (300,619)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	78,472	—
Depreciation	9,147	6,731
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(7,971)	—
Deferred contracted software development costs - related party	55,938	—
Escrow fund payments	250	—
Deposits	(44,876)	—
Accrued interest	8,040	1,030
Accounts payable and accrued expenses	2,112	5,284
Unearned revenue - related party	(156,000)	81,000
<b>Net Cash Used in Operating Activities</b>	<b>(827,989)</b>	<b>(206,574)</b>
<b>Investing Activities:</b>		
Purchases of property and equipment	(8,737)	(22,781)
Cash acquired in merger	420	—
<b>Net Cash Used in Investing Activities</b>	<b>(8,317)</b>	<b>(22,781)</b>
<b>Financing Activities:</b>		
Proceeds from sale of Series A Preferred stock	1,500,004	—
Escrow fund cash received	(215,000)	—
Capital contributions	325,000	25,000
Proceeds from notes payable	25,000	—
Payments on notes payable	(27,500)	—
Proceeds from convertible notes payable - members	—	25,000
Proceeds from officer loans	—	111,300
<b>Net Cash Provided by Financing Activities</b>	<b>1,607,504</b>	<b>161,300</b>
<b>Net Increase (Decrease) in Cash</b>	<b>771,198</b>	<b>(68,055)</b>
<b>Cash - Beginning of Period</b>	<b>3,165</b>	<b>85,163</b>
<b>Cash - End of Period</b>	<b>\$ 774,363</b>	<b>\$ 17,108</b>
<b>Supplemental disclosure of non-cash investing and financing activities:</b>		
Net assets acquired in reverse acquisition:		
Goodwill	\$ 6,160,229	\$ —
Accounts payable	(31,100)	—
Notes payable - related party	(174,058)	—
	<b>\$ 5,955,071</b>	<b>\$ —</b>
Derivative liability	\$ 1,103,276	\$ —
Common stock issued for officers loans, related party notes and accrued interest	\$ 193,933	\$ —
Conversion of Series C Preferred stock to common stock	\$ 10,000	\$ —
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid in cash	\$ 1,268	\$ —
Income taxes paid in cash	\$ —	\$ —

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

**ENERGYTEK CORP.**  
**(FORMERLY BROADLEAF CAPITAL PARTNERS, INC.)**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**1. Summary of Significant Accounting Policies and Use of Estimates**

*Basis of Presentation and Organization and Reorganization*

EnergyTek Corp., is a Nevada corporation which has two wholly-owned subsidiaries, Texas Gulf Exploration & Production, Inc., and Legal Capital Corp. In January 2015, EnergyTek Corp. entered into a Joint Venture with Wagley Offshore-Onshore, Inc. to acquire distressed energy assets. In July 2016, the Company entered into an agreement to terminate this Joint Venture and it was dissolved on September 26, 2016. Effective September 13, 2016, EnergyTek Corp. entered into an Agreement and Plan of Merger ("Merger Agreement") through which it acquired Timefire, LLC (Timefire), a Phoenix-based virtual reality content developer that is an Arizona Limited Liability Company. As consideration for the merger, EnergyTek Corp. issued the equity holders of Timefire a total of 414,000,000 shares of its common stock, and 28,000,000 five year warrants exercisable at \$0.058 per share for 100% of the membership interests of Timefire. As a result, the former members of Timefire owned approximately 99% of the then outstanding shares of common stock. The consolidated entities hereinafter are referred to as the "Company." The operations of the Company from the acquisition date represent the business of Timefire.

For accounting purposes the transaction is being recorded as a reverse acquisition, with Timefire as the accounting acquirer. The 414,000,000 shares of common stock issued in the transaction are shown as outstanding for all periods presented in the same manner as a stock split. The accompanying consolidated financial statements reflect the consolidated operations of the company from September 13, 2016.

*Unaudited Interim Financial Statements*

The interim condensed consolidated financial statements of the Company as of September 30, 2016 and 2015, and for the periods then ended, are prepared in accordance with the instructions to Form 10-Q. Accordingly, the accompanying condensed consolidated financial statements and notes thereto do not reflect all disclosures required under accounting principles generally accepted in the United States of America. However, in the opinion of management, the interim financial statements include all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the Company's financial position as of September 30, 2016 and the results of its operations and its cash flows for the periods ended September 30, 2016 and 2015. These results are not necessarily indicative of the results expected for the year ended December 31, 2016. The financial statements should be read in conjunction with the latest annual financial statements.

*Principles of Consolidation*

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated. Equity investments through which we exercise significant influence over but do not control the investee and are not the primary beneficiary of the investee's activities are accounted for using the equity method where applicable.

*Accounting Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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 revenue and expenses during the reporting period. Actual results could materially differ from those estimates. Significant estimates of the Company include accounting for depreciation and amortization, derivative liability, accruals and contingencies, the fair value of Company common stock and the estimated fair value of warrants.

*Revenue Recognition*

The Company uses Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 605 for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the sales price is fixed or determinable, and (iii) collectability is reasonably assured.

*Cash and Cash Equivalents*

The Company considers all highly liquid instruments, with original maturity of three months or less when purchased, to be cash equivalents.

*Escrow Fund*

Pursuant to the Series A Preferred Stock Securities Purchase Agreement ("SPA") (see Note 7), the Company was required to hold an initial amount of \$215,000 in cash in escrow. The cash is restricted to be used for certain expenses as defined in the agreement. In addition, for the 24 months following the closing of the SPA, the Company is required to deposit 15% of the gross proceeds of any offering of securities with the Company or any cash exercise of any common stock equivalents, including cash proceeds from the exercise of any warrants issued to investors involved with the SPA. As of September 30, 2016, \$250 has been disbursed from the escrow account, leaving a remaining balance of \$214,750.

### *Property and Equipment*

Property and equipment are recorded at cost. Depreciation is provided for on the straight-line method, over the estimated useful lives of the assets. Maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Betterments or renewals are capitalized when incurred. Gains and losses on the disposition of property and equipment are recorded in the period incurred.

The estimated useful lives of property and equipment are:

- Office furniture and equipment 5 years

### *Impairment of Long-Lived Assets and Amortizable Intangible Assets*

The Company follows ASC 360-10, "*Property, Plant, and Equipment*," which established a "*primary asset*" approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

### *Intangible Assets - Goodwill*

The excess of the purchase price over net tangible and identifiable intangible assets of the business acquired is carried as Goodwill on the balance sheet. Goodwill is not amortized, but instead is assessed for impairment at least annually and upon the occurrence of certain triggering events or substantive changes in circumstances that indicate that the fair value of goodwill may be impaired. Measurement of the impairment loss, if any, is based on the difference between the carrying value and fair value of reporting unit. The goodwill impairment test follows a two-step process. In the first step, the fair value of a reporting unit is compared to its carrying value. If the carrying value of a reporting unit exceeds its fair value, the second step of the impairment test is performed for purposes of measuring the impairment. In the second step, the fair value of the reporting unit is allocated to all of the assets and liabilities of the reporting unit to determine an implied goodwill value. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of goodwill, an impairment loss will be recognized in an amount equal to that excess. During the quarter ended September 30, 2016, the Company did not recognize any impairment charges.

### *Business segments*

ASC 280, "*Segment Reporting*" requires use of the "*management approach*" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the Company for making operating decisions and assessing performance. The Company determined it has one operating segment as of September 30, 2016.

### *Income Taxes*

The Company accounts for income taxes under FASB ASC 740, "*Income Taxes*". Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

### *Net Loss per Share*

Basic earnings per share does not include dilution and is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. Dilutive securities are not included in the weighted average number of shares when inclusion would be anti-dilutive. Due to the net losses for the periods ended September 30, 2016 and 2015, basic and diluted loss per common share were the same, as the effect of potentially dilutive securities would have been anti-dilutive.

As of September 30, 2016, there was a total of 221,199,427 shares of common stock issuable upon conversion of preferred stock and the exercise of warrants and vesting of restricted stock units that were not included in the earnings per share calculation as they were anti-dilutive.

### *Fair Value Measurements*

ASC 820 Fair Value Measurements defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1- fair value measurements are those derived from quoted prices (unadjusted in active markets for identical assets or liabilities);

Level 2- fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3- fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments classified as Level 1 - quoted prices in active markets include cash.

These financial instruments are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment to estimation. Valuations based on unobservable inputs are highly subjective and require significant judgments. Changes in such judgments could have a material impact on fair value estimates. In addition, since estimates are as of a specific point in time, they are susceptible to material near-term changes. Changes in economic conditions may also dramatically affect the estimated fair values.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2016. The respective carrying value of certain financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash, accounts payable and accrued expenses.

### *Subsequent Events*

In accordance with ASC 855 "Subsequent Events" the Company evaluated subsequent events after the balance sheet date.

## **2. Going Concern**

The Company has incurred losses since inception and requires additional funds for future operating activities. The Company's selling activity has not reached a level of revenue sufficient to fund its operating activities. These factors create an uncertainty as to how the Company will fund its operations and maintain sufficient cash flow to operate as a going concern. The combination of these factors, among others, raise doubt about the Company's ability to continue as a going concern.

The Company's ability to meet its cash requirements in the next year is dependent upon obtaining additional financing. If this is not achieved, the Company may be unable to obtain sufficient cash flow to fund its operations and obligations, and as a result there is substantial doubt the Company will be able to continue as a going concern. The accompanying condensed consolidated financial statements have been prepared on a going concern basis, and accordingly, do not include any adjustments relating to the recoverability and classification of recorded asset amounts; nor do they include adjustments to the amounts and classification of liabilities that might be necessary should the Company be unable to continue operations or be required to sell its assets.

## **3. Reverse Acquisition**

The Company accounted for the Merger Agreement with Timefire as a reverse acquisition, with Timefire being the accounting acquirer. In its determination that Timefire was the accounting acquirer, the Company considered pertinent facts and circumstances, including the following: (i) the Timefire owners received the largest portion of the voting rights of the combined entity; (ii) the management team of the combined entity is primarily comprised of owners or management of Timefire; (iii) the Board of Directors of the combined entity is primarily comprised of owners, management or affiliates of Timefire; (iv) the continuing business of the combined entity will be the business of Timefire. In accounting for the reverse acquisition, the Company considered the market price of its common stock to be the most reliable measure of the consideration effectively transferred. On the acquisition date the price of the Company's common stock was \$0.0452 per share and the number of shares of common stock outstanding, including common stock issuable upon the conversion of outstanding convertible preferred stock, amounted to 131,758,655 shares which resulted in the fair value of the consideration equaling \$5,955,491. The net liabilities at the acquisition date totaled \$204,738, resulting in goodwill of \$6,160,229. None of the goodwill is expected to be deductible for income tax purposes.

The amount of net loss of the accounting acquiree included in the Company's consolidated statements of operations from the acquisition date, September 13, 2016, to the period ending September 30, 2016 are as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues	\$ —	\$ —	\$ —	\$ —
Net loss	\$ (310,971)	\$ —	\$ (310,971)	\$ —
Basic and diluted loss per share	\$ (0.00)	\$ —	\$ (0.00)	\$ —



The following supplemental pro forma information presents the consolidated financial results as if the acquisition of the accounting acquiree had occurred January 1, 2015.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues	\$ —	\$ 19,101	\$ 203,640	\$ 65,904
Net loss	\$ (768,717)	\$ (2,530,475)	\$ (1,038,301)	\$ (2,798,515)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)

#### 4. Notes Payable to Related Parties

Notes payable to related parties consist of amounts owed by Texas Gulf Exploration & Production, Inc. to parties related to the Company. As a term of the Merger Agreement, Texas Gulf Exploration & Production, Inc. will become a wholly-owned subsidiary of Litigation Capital, Inc, a non-related entity, once certain requirements have been met, and the debt will be assumed by that entity.

#### 5. Related Party Transactions

During the year ended December 31, 2015, the Company entered into an agreement with a related party, an entity in which two of the Timefire members have significant ownership, to provide software development services. During 2015, the Company received \$156,000 in payments for these services. The contracted services had not yet been completed as of December 31, 2015, and all amounts received were classified as unearned revenue. During the nine months ended September 30, 2016, the Company completed this work, recognizing the previously unearned revenue from 2015 as well as an additional \$46,500, for a total of \$202,500 in revenue from the related party.

#### 6. Commitments and Contingencies

##### *Employment Agreements*

Effective September 13, 2016, the Company entered into an employment agreement with its Chief Executive Officer ("CEO"). The agreement is for a two year period at the rate of \$150,000 per annum. The agreement will be automatically extended for additional terms of one year each unless terminated by either party. In addition to other customary benefits, the CEO was granted 5,000,000 restricted stock units ("RSUs"). The RSUs vest over a 2 year period (see Note 7).

Effective September 13, 2016, the Company entered into an employment agreement with its new President. The agreement is for a two year period at the rate of \$150,000 per annum. The agreement will be automatically extended for additional terms of one year each unless terminated by either party.

Effective September 13, 2016, the Company entered into an employment agreement with its new Chief Strategy Officer. The agreement is for a two year period at the rate of \$150,000 per annum. The agreement will be automatically extended for additional terms of one year each unless terminated by either party.

##### *Lease Agreements*

On September 23, 2016, the Company entered into an office lease agreement commencing October 1, 2016 for a new location, after having outgrown the prior facility. This lease expires December 31, 2018. A concession of the first five months' rent was provided. After that time, the monthly rent will be \$8,121 for months 6 through 17, and \$8,375 for months 18 through 27. The Company continues to be obligated to pay the monthly rent of \$2,596 on its prior facility lease, which expires January 2017, unless the landlord enters into a lease with a new tenant prior to that date.

## 7. Shareholders' Deficit and Series A Preferred Stock

### *Common Stock*

There is currently only one class of common stock. Each share common stock is entitled to one vote. The authorized number of shares of common stock of the Company at September 30, 2016 was 500,000,000 shares with a par value per share of \$0.001. Authorized shares that have been issued and fully paid amounted to 430,087,964 as of September 30, 2016.

On September 13, 2016, the Company entered into a Merger Agreement through which the Company acquired Timefire (See Note 1). As consideration for the merger, the Company issued the equity holders of Timefire a total of 414,000,000 shares of the Company's common stock, and 28,000,000 five year warrants exercisable at \$0.058 per share for 100% of the membership interests of Timefire. The members of Timefire may also be entitled to additional warrants contingent on certain future financings, as defined in the Merger Agreement.

### *Preferred Stock*

The Company is authorized to issue 10,000,000 shares of Preferred stock with a par value of \$0.01 per share, with rights, preferences and limitations as may be decided from time-to-time by the Board of Directors.

### Series C

In 2014, the Board of Directors approved the issuance of Series C Preferred Stock ("Series C"). 900 Shares of Series C Preferred Stock were issued in exchange for 900 Shares of previously issued Series A Preferred Stock ("Prior Series A"). Each share of Series C shall be convertible at the option of the holder at any time, into 100,000 shares of common stock. Each holder of Series C shall be entitled to one vote for each share of Series C held. Holders cannot convert their Series C to the extent that after such conversion, they and their affiliates would beneficially own in excess of 9.99% of the Company's common stock, which limitation is waivable upon 61 days' notice to the Company. In 2015, 10 Series C shares were converted into 1,000,000 shares of our common stock. In 2016, holders of 137 shares of Series C converted them into 13,700,000 shares of our common stock. At September 30, 2016, there are 753 shares of Series C outstanding.

### Series A-1

Effective August 24, 2016, the Board of Directors approved the issuance of Series A-1 Preferred Stock ("Series A-1"). The Company entered into agreements with certain note holders under which the note holders agreed to convert an aggregate of \$229,170 in principal and accrued interest into a total of 20,371 shares of Series A-1 Preferred Stock. Each share of Series A-1 shall be convertible at the option of the holder at any time, into 1,000 shares of common stock. The Series A-1 ranks senior to the common stock and junior to the Series C. Holders of Series A-1 are entitled to receive dividends and vote together with holders of the common stock on an as-converted basis. Holders cannot convert their Series A-1 to the extent that after such conversion, they and their affiliates would beneficially own in excess of 2.49% of the Company's common stock, which limitation is waivable upon 61 days' notice to the Company. At September 30, 2016, there are 20,371 shares of Series A-1 outstanding.

### Series A

Effective September 13, 2016, the Company closed on a Securities Purchase Agreement and the Board of Directors approved the issuance of a newly designated Series A Convertible Preferred Stock ("New Series A"). Pursuant to the agreement the Company issued and sold approximately 133,334 shares of New Series A to certain investors for gross proceeds of \$1,500,004 and 25,862,069 five-year Warrants exercisable at \$0.058 per share. The New Series A are convertible into approximately 66,666,844 shares of common stock. Holders cannot convert their New Series A to the extent that after such conversion, they and their affiliates would beneficially own in excess of 2.49% of the Company's common stock, which limitation is waivable upon 61 days' notice to the Company. In addition, the investors were issued a total of 25,862,069 five-year warrants exercisable at \$0.058 per share containing a similar 2.49% ownership blocker. At any time after the earlier of (i) the Company having affected a one-for-six reverse stock split or combination or (ii) November 30, 2016, each share of New Series A shall be convertible into shares of Company common stock.

New Series A shall be convertible, at the option of the holder, into 500 shares of common stock, subject to certain adjustments. The New Series A ranks senior to all other classes and series of the Company's capital stock. Holders of New Series A are entitled to receive dividends and vote together with holders of the common stock on an as-converted basis. At September 30, 2016, there are 133,334 shares of New Series A outstanding. The Company recorded a discount of \$1,500,004 as a result of a New Series A beneficial conversion feature. The beneficial conversion feature is being amortized as a deemed dividend over the period from issuance to the earliest date the New Series A becomes convertible, which the Company considers to be November 30, 2016 for this calculation. As of September 30, 2016, \$397,591 has been accreted as a dividend, and due to the lack of retained earnings has been offset to additional paid-in capital.

New Series A contains certain provisions that are outside the Company's control and which the Company believes cause the New Series A to be classified as mezzanine equity.

## Warrants

The balance of warrants outstanding for purchase of the Company's common stock as of September 30, 2016 is as follows:

	Common Shares Issuable Upon Exercise of Warrants	Exercise Price of Warrants	Date Issued	Expiration Date
Balance of warrants at December 31, 2015	—			
Issued per Merger Agreement (1)	28,000,000	\$ .058	9/9/2016	9/9/2021
Issued per Securities Purchase Agreement (2)	<u>25,862,069</u>	\$ .058	9/9/2016	9/9/2021
Balance of warrants at September 30, 2016	<u>53,862,069</u>			

(1) On September 13, 2016, per the terms of the Merger Agreement (see Note 1), the Company issued five-year warrants at \$.058 to purchase 28,000,000 shares of common stock to the original Timefire investors. Fair value of \$1,194,480 is recorded in recapitalization.

(2) On September 13, 2016, per the terms of the Securities Purchase Agreement, the Company issued five-year warrants at \$.058 to purchase 25,862,069 shares of common stock (see above). Fair value of \$1,103,276 is recorded as a derivative liability and a reduction in Series A Preferred additional paid-in capital September 30, 2016.

The fair value of the warrants, an aggregate of \$2,297,756, is estimated using the Black-Scholes pricing model using the following assumptions: dividend yield – 0%; risk-free interest rate - 1.23%; expected life – 5 years; volatility 174.401%.

### 2016 Equity Incentive Plan

Effective September 13, 2016, the Company adopted the 2016 Equity Incentive Plan (the "2016 Plan") to provide an incentive to our employees, consultants, officers and directors who are responsible for or contribute to our long range success. A total of 33,000,000 shares of our common stock have been reserved for the implementation of the 2016 Plan, either through the issuance of incentive stock options, non-qualified stock options, stock appreciation rights ("SARs"), restricted awards, or restricted stock units ("RSUs"). Whenever practical, the 2016 Plan is to be administered by a committee of not less than two members of the Board of Directors appointed by the full Board, and the 2016 Plan has a term of ten years, unless sooner terminated by the Board. As of September 30, 2016, 28,000,000 shares of common stock are available for issuance under the 2016 Plan.

Effective September 13, 2016, pursuant to his employment agreement, the Company entered into a Restricted Stock Unit Agreement with its CEO which granted the CEO 5,000,000 RSUs pursuant to the 2016 Plan. The RSUs vest in three approximately equal increments with the first tranche being fully vested on the grant date and the remaining tranches vesting on the first-year and second-year anniversaries of the grant date. The fair value of the award was calculated based on the price of the common stock on the grant date and is being charged to operations over the vesting period. The expense recorded in the nine months ended September 30, 2016 is \$78,472.

*Shareholders' Equity/(Deficit) Post Merger*

The shareholders' equity/(deficit) post-merger is presented as follows:

	<u>Preferred Stock Shares</u>	<u>Amount</u>	<u>Common Stock Shares</u>	<u>Amount</u>	<u>Additional Paid in Capital</u>	<u>Accumulated Deficit</u>	<u>Shareholders' Equity (Deficit)</u>
<b>Balance at December 31, 2014</b>	—	\$ —	414,000,000	\$ 414,000	\$ (189,000)	\$ (110,875)	\$ 114,125
Capital contribution	—	—	—	—	25,000	—	25,000
Net loss	—	—	—	—	—	(381,735)	(381,735)
<b>Balance at December 31, 2015</b>	—	—	414,000,000	414,000	(164,000)	(492,610)	(242,610)
Reverse acquisition – September 13, 2016	21,224	213	6,087,964	6,088	6,468,123	—	6,474,424
Preferred Series C stock converted to common	(100)	(1)	10,000,000	10,000	(9,999)	—	—
Stock-based compensation - restricted stock units	—	—	—	—	78,472	—	78,472
Net loss	—	—	—	—	—	(773,101)	(773,101)
<b>Balance at September 30, 2016 (unaudited)</b>	<u>21,124</u>	<u>\$ 212</u>	<u>430,087,964</u>	<u>\$ 430,088</u>	<u>\$ 6,372,596</u>	<u>\$ (1,265,711)</u>	<u>\$ 5,537,185</u>

**8. Fair Value Measurements**

The following summarizes the Company's financial liabilities that are measured at fair value on a recurring basis at September 30, 2016.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Liabilities</b>				
Derivative liabilities	\$ —	\$ —	\$ 1,103,276	\$ 1,103,276

**9. Subsequent Events**

On November 7, 2016, the Company issued 1,246,000 shares of common stock in exchange for 12.46 shares of Series C Preferred.

On November 14, 2016, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of Nevada to change the Company's name to TimefireVR Inc. and implement a reverse stock split of its common stock at a ratio of one-for-10. The name change and reverse stock split will each become effective November 21, 2016.

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

*The following Management's Discussion and Analysis should be read in conjunction with EnergyTek Corp. financial statements and the related notes thereto. The Management's Discussion and Analysis contains forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect," and the like, and/or future-tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements in this Report on Form 10-Q. The Company's actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors. Except as required by U.S. securities laws, the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this Report on Form 10-Q.*

*The following discussion should be read in conjunction with our unaudited consolidated financial statements and related notes and other financial data included elsewhere in this report. See also the notes to our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2015.*

### OVERVIEW

EnergyTek Corp., (the Company), is a Nevada corporation. In January 2015 the Company entered into a Joint Venture with Wagley Offshore-Onshore, Inc. to acquire distressed energy assets. In July 2016, the Company entered into an agreement to terminate this Joint Venture and it was dissolved on September 26, 2016. Effective September 13, 2016, the Company entered into an Agreement and Plan of Merger ("Merger Agreement") through which the Company acquired Timefire, LLC (Timefire), a Phoenix-based virtual reality content developer that is an Arizona Limited Liability Company. As consideration for the merger, the Company issued the equity holders of Timefire a total of 414,000,000 shares of the Company's common stock, and 28,000,000 five year warrants exercisable at \$0.058 per share for 100% of the membership interests of Timefire. As a result, the former members of Timefire owned approximately 99% of the then outstanding shares of common stock. The operations of the Company from the acquisition date represent the business of Timefire.

#### *Results of Operations*

Total revenue for the three months ended September 30, 2016 and 2015 was \$0. Operating expenses in the quarter ended September 30, 2016 amounted to \$592,538 as compared to \$132,396 for the quarter ended September 30, 2015. The increase in operating expenses is primarily due to expenses related to the merger transaction. The net loss for the three months ended September 30, 2016 was \$596,824 as compared to \$133,083 for the quarter ended September 30, 2015, the difference being primarily due to the merger-related costs.

Total revenue for the nine months ended September 30, 2016 was \$203,640 as compared to \$6,500 for the nine months ended September 30, 2015. This is a result of the completion of a software development project for a related party, totaling \$202,500. Operating expenses in the nine months ended September 30, 2016 amounted to \$762,702 as compared to \$299,465 for the nine months ended September 30, 2015. The increase in operating expenses is primarily due to costs related to the merger transaction as well as increased employee headcount resulting in additional research and development costs. The net loss for the nine months ended September 30, 2016 was \$773,101 as compared to \$300,619 for the nine ended September 30, 2015, the difference being primarily due to the merger-related costs and payroll expenses.

#### *Liquidity and Capital Resources*

Our balance sheet as at September 30, 2016 reflects \$774,363 in cash and cash equivalents as compared to \$3,165 as at December 31, 2015. To date, the Company has incurred operating losses and has incurred negative cash flows from operations. Management is continuing to pursue financing from various sources, including private placements from investors and institutions. Management believes these efforts will contribute toward funding the Company's activities until sufficient revenue can be earned from future operations. Management believes these combined efforts, if successful, will be sufficient to meet its working capital needs and its currently anticipated expenditure levels for the next year. At this time, our Company does not have a commitment from any broker/dealer to provide additional financing, and does not have sufficient working capital to support operations for the next twelve months. There is no assurance that any additional financing will be available or if available, on terms that will be acceptable.

### ***Going Concern***

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive acquisitions and activities. For these reasons, our auditors stated in their report on our audited financial statements that they have substantial doubt that we will be able to continue as a going concern.

### ***Critical Accounting Policies and Estimates***

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. A complete summary of these policies is included in the notes to our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

### ***Off-Balance Sheet Arrangements***

We have no significant 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 are material to stockholders.

### ***Recently Issued Accounting Pronouncements***

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

## **ITEM 4. CONTROLS AND PROCEDURES**

### ***Evaluation of Disclosure Controls and Procedures***

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management carried out an evaluation under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act"). Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures were not effective as of September 30, 2016.

Our management is presently working to identify remediation measures to improve the effectiveness of our disclosure controls and procedures.

### ***Changes in Internal Control over Financial Reporting***

Our management has also evaluated our internal control over financial reporting, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of our last evaluation.

The Company is not required by current SEC rules to include, and does not include, an auditor's attestation report. The Company's registered public accounting firm has not attested to Management's reports on the Company's internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

From time to time, the Company may become subject to various legal proceedings that are incidental to the ordinary conduct of its business. Although the Company cannot accurately predict the amount of any liability that may ultimately arise with respect to any of these matters, it makes provision for potential liabilities when it deems them probable and reasonably estimable. These provisions are based on current information and legal advice and may be adjusted from time to time according to developments. There were no material changes to our legal proceedings during the period covered by this report.

### **ITEM 1A. RISK FACTORS**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

### **ITEM 2. RECENT SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

All sales of equity securities have been disclosed in previously filed Current Reports on Form 8-K.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. MINE SAFETY DISCLOSURES**

N/A.

### **ITEM 5. OTHER INFORMATION**

None.

### **ITEM 6. EXHIBITS**

<b>Exhibit #</b>	<b>Exhibit Description</b>	<b>Incorporated by Reference</b>			<b>Filed or Furnished Herewith</b>
		<b>Form</b>	<b>Date</b>	<b>Number</b>	
2.1	Agreement and Plan of Merger dated September 13, 2016	8-K	9-13-16	2.1	
2.2	Articles of Merger - Nevada	8-K	9-13-16	2.2	
2.3	Statement of Merger - Arizona	8-K	9-13-16	2.3	
3.1	Articles of Incorporation, as amended	10-K	3-31-15	3.1	
3.2	Certificate of Amendment of Articles of Incorporation filed with the Nevada Secretary of State on November 14, 2016	8-K	11-14-16	3.1	
3.3	Bylaws	10-K	3-31-15	3.2	
4.1	Series A-1 Convertible Preferred Stock Certificate of Designations	8-K	8-30-16	4.1	
4.2	Second Amended and Restated Series A Convertible Preferred Stock Certificate of Designations dated September 7, 2016	8-K	9-13-16	4.1	
4.3	Form of Merger Warrant	8-K	9-13-16	4.2	
4.4	Form of Investor Warrant	8-K	9-13-16	4.3	
10.1	Form of Convertible Promissory Note	8-K	7-27-16	10.1	
10.2	Exchange Agreement dated August 24, 2016	8-K	8-30-16	10.1	
10.3	Form of Convertible Promissory Note dated August 30, 2016	8-K	9-6-16	10.1	
10.4	2016 Equity Incentive Plan	8-K	9-13-16	10.1	*
10.5	John Wise Employment Agreement dated September 7, 2016	8-K	9-13-16	10.2	*
10.6	Jeffrey Rassas Employment Agreement dated September 7, 2016	8-K	9-13-16	10.3	*
10.7	Jonathan Read Employment Agreement dated September 7, 2016	8-K	9-13-16	10.4	*
10.8	Jonathan Read Restricted Stock Unit Agreement dated September 7, 2016	8-K	9-13-16	10.5	*
10.9	Securities Purchase Agreement dated September 7, 2016	8-K	9-13-16	10.6	
10.10	Registration Rights Agreement dated September 7, 2016	8-K	9-13-16	10.7	
10.11	Form of Agreement and Mutual Release dated as of July 21, 2016				Filed
31.1	Certification of Principal Executive Officer (302)				Filed
31.2	Certification of Principal Financial Officer 302				Filed
32.1	Certification of Principal Executive Officer and Principal Financial Officer (906)				Furnished**
99.1	Audited Financial Statements of Timefire LLC as of December 31, 2015 and 2014	8-K	9-13-16	99.1	
101.INS	XBRL Instance Document				Filed
101.SCH	XBRL Taxonomy Extension Schema Document				Filed
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				Filed
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				Filed
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				Filed
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				Filed

\* Management contract or compensatory plan or arrangement.

\*\* This exhibit is being furnished rather than filed and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

Copies of this report (including the financial statements) and any of the exhibits referred to above will be furnished at no cost to our shareholders who make a written request to EnergyTEK Corp., at the address on the cover page of this report, Attention: Corporate Secretary.

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, hereunto duly authorized, this 18<sup>th</sup> day of November, 2016.

EnergyTek Corp.

Signature

/s/ Jonathan R. Read  
Jonathan R. Read

Title

Chief Executive Officer and Director

Signature

/s/ Jessica Smith  
Jessica Smith

Title

Chief Accounting and Financial Officer



## AGREEMENT AND MUTUAL RELEASE

This AGREEMENT AND MUTUAL RELEASE (this “Agreement”) is made and entered into as of July 21, 2016 by and among EnergyTEK Corp., a Nevada corporation (“ENTK”), Texas Gulf Exploration & Production, Inc. a Nevada corporation and wholly-owned subsidiary of ENTK (“TGEP”), Litigation Capital, Inc., a Nevada corporation (“LCI”), Texas Gulf Oil & Gas, Inc., a Nevada corporation (“TGOG”), Timothy J. Connolly, individually (“Connolly”), Craig Crawford, individually (“Crawford”), Russell Kidder, individually (“Kidder”), Jonathan Read, individually (“Read”), Wagley-EnergyTEK J.V. LLC, a Texas limited liability company (“Wagley J.V.”) and Damon Wagley, individually (“Wagley”) (each of the foregoing, a “Party” and collectively, the “Parties”).

In consideration for the mutual release of claims contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

1. Partial Payment of Debt; Return by TGOG of ENTK Shares. TGOG is owed approximately \$228,000 by ENTK. Simultaneously with payment by ENTK of \$50,000 as a partial payment toward notes payable held by TGOG, it shall cancel 1,000,000 shares of ENTK common stock currently owned by TGOG and deliver the certificates duly endorsed in blank with medallion guarantees to ENTK.
2. Assumption of ENTK Debt by TGEP; Release by TGOG. Simultaneously with the execution of this Agreement by the Parties, TGEP shall assume from ENTK and/or its affiliates all debt, including notes payable, and all other sums owed to TGOG and/or its affiliates in the approximate total amount of \$178,000 (pending confirmation by ENTK’s auditors of the exact amount as of the date thereof). Immediately upon the assumption of such debt by TGEP, TGOG and/or its affiliates and TGEP shall forever release ENTK and/or its affiliates other than TGEP from any and all liability for such debt. TGOG represents that it is the holder of the Notes reflecting the debt and it shall not assign or negotiate such debt in contravention of this Agreement.
3. Redemption by ENTK of Series B Preferred Stock; Acquisition by LCI of Subsidiary Equity and Debt. Within five business days from the execution by all Parties of this Agreement, ENTK shall redeem all shares of ENTK’s Series B Preferred Stock held by LCI as of the date hereof for the following consideration: (i) the immediate issuance to LCI of 300,000 shares of ENTK common stock and (ii) upon the earlier of (a) the closing of a transaction pursuant to which ENTK acquires Timefire LLC or another entity in a change of control transaction (the “Timefire Acquisition”) or (b) 90 days from the execution by all Parties of this Agreement, the transfer to LCI of all outstanding equity interests in each of TGEP and Legal Capital Corp., a Nevada corporation and wholly-owned subsidiary of ENTK.

LCI hereby acknowledges and agrees that in consideration for the redemption of its shares of Series B Preferred Stock and for acquiring the equity interests of TGEP and Legal Capital Corp., upon acquisition of the TGEP equity interests it shall assume approximately \$178,000 in debt which shall be owed by TGEP to TGOG and/or its affiliates pursuant to Section 2, above.

4. Resignation and Compensation of Crawford. Simultaneously with the execution of this Agreement by the Parties, Crawford shall resign from the ENTK board of directors and as an officer of ENTK.

ENTK shall, on or before the earlier of (i) the closing of the Timefire Acquisition or (ii) within 90 days from the execution by all Parties of this Agreement, pay Crawford \$6,000 in fees for director service which remain owed and outstanding as of his resignation, and Crawford acknowledges that he is not owed any other funds by ENTK. Crawford agrees to promptly execute and deliver any representation letters requested by ENTK’s auditors relating to the financial statements being prepared in connection with the Timefire Acquisition and related transactions and reports and registration statements which ENTK may file with the Securities and Exchange Commission.

Simultaneously with the execution of this Agreement by the Parties, Crawford shall also resign as a Joint Venture Manager of Wagley J.V.

5. Transfer of Wagley Shares into Escrow with Voting Proxy. Simultaneously with the execution of this Agreement by the Parties, Wagley J.V. shall transfer into the custody of Kidder, as escrow agent, 20,000,000 shares of ENTK common stock and shall provide Read with the voting proxy for such shares. If the Timefire Acquisition has not closed within 90 days from the execution by all Parties of this Agreement, the escrowed shares shall be returned to Wagley J.V. and Read’s voting proxy shall terminate. If the Timefire Acquisition closes within 90 days, Section 10, below, shall apply.
6. Substitution of Wagley as J.V. Manager. Effective immediately following the transfer of shares into escrow as described in Section 5, above, Wagley shall appoint Kidder as a Joint Venture Manager of Wagley J.V. Immediately following the appointment of Kidder, Wagley shall resign as a Joint Venture Manager.
7. Mutual Releases. Simultaneously with the execution of this Agreement, the Parties shall enter into mutual release agreements in the form attached as Exhibit A hereto.
8. TGOG Waiver of Change of Control Provision. Simultaneously with the execution of this Agreement by the Parties, TGOG shall permanently waive Section 4(a) relating to “Change of Control Limitations” in that certain Securities Purchase Agreement between TGOG and Cavalry, dated as of August 14, 2015 and any substantially similar change of control limitation contained in any stock purchase agreement entered into by TGOG in or around August 2015, including, but not limited to, with Hudson Bay.

9. Assistance in Obtaining Cooperation. Connolly shall use his best efforts to assist ENTK in obtaining necessary signatures and the reasonable cooperation of former directors, employees and affiliates of ENTK in facilitating the transactions contemplated by certain of the Parties hereto, including but not limited to the Timefire Acquisition.
10. Dissolution of Wagley J.V. Upon closing of the Timefire Acquisition (provided that such closing occurs within 90 days from the execution of this Agreement by the Parties), Wagley J.V. shall be dissolved and ENTK shall have the right, exercisable for six months from the closing of the Timefire Acquisition, to cancel the 20,000,000 shares of ENTK common stock shares held in escrow pursuant to Section 5, above.
11. Severability. In the event any parts of this Agreement are found to be void, the remaining provisions of this Agreement shall nevertheless be binding with the same effect as though the void parts were deleted.
12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.
13. Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their legal representatives, successors and assigns.
14. Notices and Addresses. All notices, offers, acceptance and any other acts under this Agreement (except payment) shall be in writing, and shall be sufficiently given if delivered to the addressees in person, by FedEx or similar receipted next business day delivery, or by email delivery followed by overnight next business day delivery to the addresses listed on the signature page hereto or to such other address as any of them, by notice to the other may designate from time to time. Time shall be counted to, or from, as the case may be, the date of delivery.
15. Attorneys' Fees. In the event that there is any controversy or claim arising out of or relating to this Agreement, or to the interpretation, breach or enforcement thereof, and any action or proceeding is commenced to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses (including such fees and costs on appeal).
16. Oral Evidence. This Agreement constitutes the entire Agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, except by a statement in writing signed by the party or parties against which enforcement or the change, waiver discharge or termination is sought.
17. Governing Law. This Agreement and any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of Nevada without regard to choice of law considerations.
18. Jurisdiction and Venue. Any action, suit or proceeding arising out of, under or in connection with this Agreement shall be brought and determined in the appropriate federal or state court in the State of Arizona and in no other forum. The parties hereby irrevocably submit to the jurisdiction of any such Arizona state court or federal court having jurisdiction in Phoenix, Arizona in any such suit, action or proceeding arising out of or relating to this Agreement.
19. Removal of Legends. Subject to compliance with the registration requirements of the Securities Act of 1933 and Rule 144 thereunder, in the event any current or prior ENTK director, employee, consultant or affiliate shall seek to have the restrictions removed on ENTK common shares previously authorized by the ENTK Board of Directors and issued for compensation or in lieu of payment of amounts due the holder of the shares, The Company shall promptly complete any such lawful request and will be responsible for the fees of its transfer agent, the legend removal opinion of its legal counsel and all DTC fees associated with such issuance.

*[Signature pages follow.]*

AGREED:

**EnergyTEK Corp.**

By: \_\_\_\_\_

Name:

Title:

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

**Texas Gulf Exploration & Production, Inc.**

By: \_\_\_\_\_

Name:

Title:

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_  
**Timothy J. Connolly**, individually

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_  
**Craig Crawford**, individually

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

*[Signature pages continue.]*

**Litigation Capital, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**Texas Gulf Oil & Gas, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**Wagley-EnergyTEK J.V. LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_  
**Damon Wagley, individually**

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_  
**Jonathan Read, individually**

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_  
**Russell Kidder, individually**

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**Exhibit A**  
Mutual Release

## CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Jonathan R. Read, certify that:

1. I have reviewed this quarterly report on Form 10-Q of EnergyTek Corp. (the "registrant");
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.

By: /s/ Jonathan R. Read

Jonathan R. Read  
Chief Executive Officer  
(Principal Executive Officer)  
Date: November 18, 2016

## CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Jessica Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of EnergyTek Corp. (the "registrant");
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.

By: /s/ Jessica Smith  
Jessica Smith,  
Chief Financial Officer  
(Principal Financial Officer)  
Date: November 18, 2016

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of EnergyTek Corp. (the "Company") on Form 10-Q for the quarter ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof, I, Jonathan R. Read, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly 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 quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jonathan R. Read

Chief Executive Officer

(Principal Executive Officer)

Dated: November 18, 2016

In connection with the quarterly report of EnergyTek Corp. (the "Company") on Form 10-Q for the quarter ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof, I, Jessica Smith, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly 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 quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jessica Smith

Jessica Smith

Chief Financial Officer

(Principal Financial Officer)

Dated: November 18, 2016