Creative Waste Solutions, Inc.
Form 10-Q
October 12, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended: **June 30, 2016**

or

¨ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to _______________

Commission File Number **333-140299**

CREATIVE WASTE SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**98-0425627**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1440 NW 1st Court, Boca Raton, Florida	**33432**
(Address of principal executive offices)	(Zip Code)

561-757-3585

(Registrant's telephone number, including area code)

SILVERSTAR RESOURCES, INC.

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

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. x Yes ¨ No

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

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

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer (Do not check if a smaller reporting company)	¨	Smaller reporting company	x

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

As of September 22, 2016 there were 5,764,722 shares of Common Stock of the issuer outstanding.

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FORWARD LOOKING STATEMENTS

Statements made in this Form 10-Q that are not historical or current facts are forward-looking statements. These statements often can be identified by the use of terms such as “may,” “will,” “expect,” “believe,” “anticipate,” “estimate,” “approximate” or “continue,” or the negative thereof. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Any forward-looking statements represent management’s best judgment as to what may occur in the future. However, forward-looking statements are subject to risks, uncertainties and important factors beyond our control that could cause actual results and events to differ materially from historical results of operations and events and those presently anticipated or projected. Among the factors that could cause actual results to differ materially from the forward-looking statements are the following: the Company’s ability to obtain necessary capital, the Company’s ability to meet anticipated development timelines, the Company’s ability to protect its proprietary technology and knowhow; the Company’s ability to identify and develop a network of physicians, the Company’s ability to establish a global market, clinical trial results, the Company’s ability to successfully consummate future acquisitions and such other risk factors identified from time to time in the Company’s reports filed with the Securities and Exchange Commission, including those filed with this Form 10-Q quarterly report. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events.

ITEM 1: FINANCIAL STATEMENTS

CREATIVE WASTE SOLUTIONS, INC.

(FORMERLY SILVERSTAR RESOURCES, INC.)

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2016 (unaudited)	September 30, 2015
ASSETS		
Current assets -		
Cash	$ 1,110	$ 209
Accounts receivable	41,574	-
Total current assets	42,684	209
Customer lists, net	357,292	-
Total assets	$ 399,976	$ 209
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities -		
Accounts payable and accrued expenses	$ 156,947	$ 114,521
Convertible debentures, related parties	224,896	224,896
Convertible debentures	18,912	18,912
Note payable	188,489	141,989
Advances-related parties	55,746	55,746
Derivative liability	1,467,799	4,152,164
Total current liabilities	2,112,789	4,708,228
Total liabilities	2,112,789	4,708,228
Stockholders' deficit:		
Preferred Stock; $.001 value 5,000,000 shares authorized, none issued and outstanding	-	-
Common Stock; $.001 par value, 225,000,000 authorized 3,846,840 and 3,436,840 shares issued and outstanding	3,847	3,437
Additional-paid in capital	2,690,865	2,281,275
Accumulated deficit	(4,407,525)	(6,992,731)

Total stockholders' deficit		(1,712,813)		(4,708,019)
Total liabilities and stockholders' deficit	$	399,976	$	209

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

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CREATIVE WASTE SOLUTIONS, INC.

(FORMERLY SILVERSTAR RESOURCES, INC.)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Nine Months Ended June 30, 2016	Nine Months Ended June 30, 2015
Sales	$ 88,378	$ -	$ 88,378	$ -
Cost of goods sold	65,526	-	65,526	-
Gross profit	22,852	-	22,852	-
Operating expenses:				
General and administrative	73,987	21,220	100,063	144,911
Loss from operations	(51,135)	(21,220)	(77,211)	(144,911)
Other income (expenses):				
Gain (loss) on derivative liability	(22,964)	3,243	2,684,365	(106,105)
Interest expense	(7,837)	(5,785)	(21,948)	(47,403)
Gain on settlement of accounts payable	-	-	-	9,015
Total other income (expenses)	(30,801)	(2,542)	2,662,417	(144,493)
Net income (loss) from continuing operations	(81,936)	(23,762)	2,585,206	(289,404)
Net loss from discontinued operations	-	(3,942)	-	(3,942)
Net income (loss)	$ (81,936)	$ (27,704)	$ 2,585,206	$ (293,346)
Basic earnings (loss) per common share				
Continuing operations	$ (0.02)	$ (0.01)	$ 0.73	$ (0.09)
Discontinued operations	-	(0.00)	-	(0.00)
	$ (0.02)	$ (0.01)	$ 0.73	$ (0.09)
Diluted loss per common share				
Continuing operations	$ (0.02)	$ (0.01)	$ (0.02)	$ (0.09)
Discontinued operations	-	(0.00)	-	(0.00)
	$ (0.02)	$ (0.01)	$ (0.02)	$ (0.09)
Basic weighted average shares outstanding	3,791,071	3,436,840	3,554,486	3,092,170
Diluted weighted average shares outstanding	3,791,071	3,436,840	6,328,272	3,092,170

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

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CREATIVE WASTE SOLUTIONS, INC.

(FORMERLY SILVERSTAR RESOURCES, INC.)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine Months Ended June 30, 2016	Nine Months Ended June 30, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss) from continuing operations	$ 2,585,206	$ (289,404)
Net (loss) from discontinued operations	-	(3,942)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Stock based compensation	-	73,500
(Gain) loss in fair value of derivative liability	(2,684,365)	106,105
Amortization of intangible assets	17,708	-
Gain on settlement of accounts payable	-	(9,015)
Amortization of beneficial conversion feature	-	29,841
Changes in operating assets and liabilities		
Accounts receivable	(41,574)	-
Accounts payable and accrued expense	42,426	65,504
NET CASH USED IN OPERATING ACTIVITIES	(80,599)	(27,411)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of businesses	(325,000)	-
Investment in assets held for sale	-	(80,000)
NET CASH USED IN INVESTING ACTIVITIES	(325,000)	(80,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from note payable	46,500	60,500
Proceeds from the sale of common stock	360,000	-
Proceeds from advances-related parties	-	46,950
NET CASH PROVIDED BY FINANCING ACTIVITIES	406,500	107,450
Net increase in cash	901	39
Cash, beginning of period	209	24
Cash, end of period	$ 1,110	$ 63
SUPPLEMENTAL CASH FLOWS INFORMATION		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

SUPPLEMENTAL NON CASH INVESTING AND FINANCING ACTIVITIES:				
Common stock issued for acquisition	$	50,000	$	-
Common stock issued for settlement of accounts payable	$	-	$	3,150
Common stock issued for debt	$	-	$	22,166
Discount for beneficial conversion feature	$	-	$	29,841

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

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CREATIVE WASTE SOLUTIONS, INC.

(FORMERLY SILVERSTAR RESOURCES, INC.)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Creative Waste Solutions, Inc. (formerly Silverstar Resources, Inc.) (the "Company") was incorporated under the laws of the State of Nevada on December 5, 2003. On June 23, 2016, the Company’s Board of Directors approved of a change of name from Silverstar Resources, Inc. to Creative Waste Solutions Inc.

On April 7, 2016, the Company entered into a membership purchase agreement with Creative Waste Solutions, LLC, a Florida limited liability corporation (“Creative”) whereby the Company purchased 100% of the membership interest for $25,000 (see Note 11).

On May 22, 2016, the Company entered into a stock purchase agreement with Florida based, Integrated Waste Transportation Services, Inc. ("Integrated"). Pursuant to the agreement, the Company acquired 100% of the outstanding equity of Integrated in exchange for $300,000 and 50,000 Shares of common stock of the Company (see Note 11).

NOTE 2 – BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (SEC), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company’s September 30, 2015 Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year end September 30, 2015 as reported on Form 10-K, have been omitted.

Principles of Consolidation

The condensed consolidated financial statements of the Company include the Company and its wholly-owned subsidiaries, 1030029 Ltd., Creative and Integrated. The operations of Creative and Integrated have only been consolidated since their respective dates of acquisition of April 7, 2016 and May 22, 2016. All material intercompany balances and transactions have been eliminated.

Accounts Receivable

The Company grants credit to customers under credit terms that it believes are customary in the industry and does not require collateral to support customer receivables. The Company evaluates its provision for an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. At June 30, 2016, the Company’s allowance for doubtful accounts was $0.

Revenue Recognition

The Company recognizes revenue from waste removal services it provides to its customers. The Company’s revenue recognition policies comply with FASB ASC Topic 605. Revenue is recognized at the time the waste removal services is completed, when a formal arrangement exists, the price is fixed or determinable, the service is completed, no other significant obligations of the Company exist and collectability is reasonably assured.

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NOTE 3 – GOING CONCERN

As shown in the accompanying financial statements, the Company has an accumulated deficit of $4,407,525 as of June 30, 2016. Unless the Company is able to attain profitability and increases in stockholders' equity, these conditions raise substantial doubt as to the Company's ability to continue as a going concern. The condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company continues to review its expense structure in an attempt to reduce operating costs. The Company's expenses are planned to decrease, which would result in an improvement to its results of operations.

NOTE 4 – CUSTOMER LISTS

In connection with the acquisitions of Creative and Integrated on April 7, 2016 and May 22, 2016, respectively, the Company acquired customer lists valued at $25,000 and $350,000, respectively. The customer lists are being amortized over 24 months. During the period ended June 30, 2016, the Company recognized $17,708 of amortization expenses. Amortization expense for the twelve months ended June 30, 2017 and 2018 will be $187,500 and $169,792, respectively.

NOTE 5 – CONVERTIBLE DEBENTURES - RELATED PARTIES

On January 15, 2015 the Company amended the convertible debenture with the principal of $75,754 of a related party so that the debenture became anti-dilutive with a conversion price set at $0.35 regardless of any forward or reverse splits in the Company's common stock.

On February 23, 2015 a shareholder holding a debenture with a principal balance of $75,754 and other advances to the Company of $149,142 of which $24,328 was borrowed during September 30, 2015 and $124,814 was the outstanding balance at September 30, 2014 made demand for payment of the total amounts owed including interest. The Company was not able to pay the outstanding balances. The Company and shareholder came to an agreement that the shareholder could convert his $75,754 convertible note payable and interest at $0.15 and the advances of $149,142 plus further advances up to $150,000 at a 15% discount to the closing price as of date of the agreement or $0.15 per share. The shareholder agreed to advance an additional $50,000 to the Company to acquire assets for the Company. The $50,000 is not convertible and is accounted for as advances due to related party see Note 6.

The change is terms of the $75,754 convertible note created derivative liability and required the Company to record fair value at the inception of the derivative and for each subsequent reporting period. The fair value of the embedded derivatives at inception was determined using the Black Scholes based on the following assumptions: (1) dividend yield of 0%; (2) expected volatility of 298%, (3) weighted average risk-free interest rate of 0.26%, (4) expected life of 1.31 years, and (5) estimated fair value of the Company's common stock is $2.00. The fair value calculated as of June 30, 2016 was $1,467,799. During the nine months June 30, 2016 the change in fair value of $2,684,365 resulted in a gain reflected in the statement of operations.

The addition of a conversion feature for the advances of $149,142 created a beneficial conversion feature as of September 30, 2015 of $149,142. Due to the advances having no terms and being due on demand, this amount was expensed as interest expense for the year ended September 30, 2015.

As of June 30, 2016 and September 30, 2015, the amount due under the convertible debentures to related party was $224,896 and $224,896 respectively.

NOTE 6 – CONVERTIBLE DEBENTURES

As of June 30, 2016 and September 30, 2015 the amount of convertible debt outstanding was $18,912 and $18,912, respectively. The convertible debenture is convertible into shares of common stock at $0.0125 per share. On July 15, 2016, the Company converted this convertible debenture plus $4,162 of accrued interest into 1,845,882 shares of the Company’s common stock

NOTE 7 – NOTES PAYABLE

On June 2, 2014 the Company issued a long term note payable for $81,989 to an entity for advances on work completed on the Company's Ahbau Lake mining property in British Columbia, Canada. The note is unsecured, and bears interest at 10% per year and matures in one year at which time all principal and interest is due and payable. As of June 30, 2016 and September 30, 2015 the outstanding balance of was $81,989 and $81,989, respectively.

On April 2, 2015 the Company issued a $60,000 one year note bearing interest of 9% as part of the acquisition of the working interest in the Alberta oil and gas property. As of June 30, 2016 and September 30, 2015 the outstanding balance of was $60,000 and $60,000, respectively.

On December 29, 2015 the Company issued a $17,500 note payable bearing interest of 6% to an unrelated party. The proceeds of the note were used for working capital.

On April 4, 2016 the Company issued a $29,000 note payable bearing interest of 10% to an unrelated party. The proceeds of the note were used for working capital.

NOTE 8 – ADVANCES - RELATED PARTIES

During the year ended September 30, 2015 an officer and director and a related party shareholder of the Company advanced $68,630 in cash, paid $5,748 for interest on behalf of the Company and came to an agreement that $24,398 would be convertible and borrowed $123,853 during the year ended September 30, 2014 to the Company by paying certain Company expenses or to pay its expenses. During the year ended September 30, 2015, $149,212 of the total advances was converted into a convertible debenture. As of June 30, 2016 and September 30, 2015 the total amount due to the related parties under these advances were $55,746 and $55,746, respectively.

The advances are unsecured, do not have a term and carry no interest rate.

NOTE 9 – DERIVATIVE INSTRUMENTS

During the year ended September 30, 2015 the Company changed the conversion features on a convertible instrument that require liability classification under ASC 815. These instruments are measured at fair value at the end of each reporting period. (See Note 4).

As defined in FASB ASC 820, fair value is 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 (exit price). The Company utilized the market data of similar entities in its industry or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based on the observability of those inputs. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. 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 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities

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The following table sets forth by level within the fair value hierarchy the Company's financial assets and liabilities that were accounted for at fair value as of June 30, 2016 and September 30, 2015:

Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative liabilities at June 30, 2016	$ -	$ -	$ 1,467,799	$ 1,467,799
Derivative liabilities at September 30, 2015	$ -	$ -	$ 4,152,164	$ 4,152,164

The below table represents the change in the fair value of the derivative liabilities during the nine months June 30, 2016:

Fair value of derivatives, September 30, 2015	$ 4,152,164
Change in fair value of derivative liability - gain	(2,684,365)
Fair value of derivatives, June 30, 2016	$ 1,467,799

NOTE 10 – EARNINGS (LOSS) PER SHARE

Earnings (loss) per share is calculated using the weighted average number of shares of common stock outstanding during the applicable period. Basic weighted average common shares outstanding is computed using the weighted average shares outstanding during the period. Diluted earnings (loss) per share is computed using the weighted average number of common shares outstanding and if dilutive, potential common shares outstanding during the period. Potential common shares consist of the additional common shares issuable upon the conversion of convertible debentures. The potential dilutive effect of convertible debentures is shown below.

The following table presents the computation of basic and diluted earnings (loss) per share:

	Three Months Ended June 30,		**Nine Months Ended June 30,**	
	2016	**2015**	**2016**	**2015**
Basic				
Net income (loss)	$ (81,936)	$ (27,704)	$ 2,585,206	$ (293,346)
Weighted average common shares outstanding	3,791,071	3,436,840	3,554,486	3,092,170
Basic earnings (loss) per share	$ (0.02)	$ (0.01)	$ 0.73	$ (0.09)

Diluted								
Net income (loss)	$	(81,936)	$	(27,704)	$	2,585,206	$	(293,346)
Subtract: Interest expense for convertible debentures		-		-		(10,519)		-
Subtract: Change in derivative liability		-		-		(2,684,365)		-
Net income (loss) applicable for diluted earnings (loss) per share	$	(81,936)	$	(27,704)	$	(109,678)	$	(293,346)
Weighted average common shares outstanding		3,791,071		3,436,840		3,554,486		3,092,170
Add: Shares issued upon conversion of convertible debentures		-		-		2,773,786		-
Assumed weighted average common shares outstanding		3,791,071		3,436,840		6,328,272		3,092,170
Diluted earnings (loss) per share	$	(0.02)	$	(0.01)	$	(0.02)	$	(0.09)

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NOTE 11 – ACQUISITIONS

On April 7, 2016, the Company entered into a membership purchase agreement with Creative whereby the Company purchased 100% of the membership interest for $25,000.

On May 22, 2016, the "Company entered into a stock purchase agreement with Integrated. Pursuant to the agreement, the Company acquired 100% of the outstanding equity of Integrated in exchange for $300,000 and 50,000 shares of common stock of the Company. The common stock was valued at $1.00 per shares which was the closing price of the Company's common stock on May 22, 2016.

The Company purchased both Creative and Integrated to integrate itself in the waste management business in southeastern region of the United States.

The transactions are accounted for as business combinations in accordance with ASC 805. A summary of the purchase price allocations at fair value is below.

	Creative	Integrated
Customer lists	$ 25,000	$ 350,000
Purchase price	$ 25,000	$ 350,000

The customer lists are being amortized over 24 months.

The revenue from the acquisition of Creative and Integrated included in the results of operations from their respective dates of acquisition to June 30, 2016 was $14,195 and $74,183, respectively.

The unaudited pro forma information showing the operating results as if both acquisitions took place on October 1, 2014 is not currently available.

NOTE 12 – SUBSEQUENT EVENT

On July 15, 2016, the Company converted a convertible debenture of $18,912 plus $4,162 of accrued interest into 1,845,882 shares of the Company’s common stock.

On August 26, 2016, the Company purchased certain assets of Florida based Easy Disposal, Inc., for an aggregate amount of $380,000 which includes 50,000 shares of common stock of the Company, valued at $2.00 per share and the remainder in cash. The Company paid for this acquisition by issuing unsecured notes payable in the aggregate amount of $300,000 that bear interest at 10% per annum and are payable upon demand.

Subsequent to June 30, 2016, the Company issued 27,000 shares of common stock for $27,000.

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ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes, and other financial information included in this Form 10-Q.

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

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

Overview

The address of our principal executive office is located at 1440 NW 1st Court, Boca Raton FL 33432. Our telephone number is 561-757-3585. Our company was incorporated in the State of Nevada on December 5, 2003 under the name Computer Maid, Inc. Our company was inactive until February 2006, when we changed our name to Rose Explorations Inc. and became engaged in the exploration of mining properties.

On January 23, 2015 the board of directors with the consent of a majority of its shareholders approved amended articles of incorporation to include a change of name to Silverstar Resources, Inc. and a reverse split of its common stock resulting in shareholders receiving one share for every five shares (5 to 1) they hold as of record of that date. In addition, the amendment set the authorized shares of common stock at 225,000,000 and preferred stock at 5,000,000 shares both at a par value of $0.001.

On March 10, 2015 the Company formed 1030029 Ltd, an Alberta numbered company as a wholly owned subsidiary to meet the requirements of holding working interest of Alberta producing oil and gas properties

On April 7, 2016, the Company entered into a membership purchase agreement with Creative Waste Solutions, LLC, (“Creative”) a Florida limited liability corporation whereby the Company purchased 100% of the membership interest for $25,000.

On May 22, 2016, the Company entered into a stock purchase agreement with Florida based, Integrated Waste Transportation Services, Inc. ("Integrated"). Pursuant to the agreement, the Company acquired 100% of the outstanding equity of Integrated in exchange for $300,000 and 50,000 shares of common stock of the Company.

On June 23, 2016, the Company’s Board of Directors approved of a change of name from Silverstar Resources, Inc. to Creative Waste Solutions Inc.

Results of Operations

The following summary of our results of operations should be read in conjunction with our condensed consolidated financial statements for the three and nine months ended June 30, 2016, which are included herein.

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Sales

Sales for the three and nine months ended June 30, 2016 were $88,378 and $88,378, respectively, as compared to $0 and $0 for the same periods in 2015. The increase in sales is due to the acquisitions of Creative and Integrated.

Cost of Goods Sold

Cost of goods sold for the three and nine months ended June 30, 2016 were $65,526 and $65,526, respectively, as compared to $0 and $0 for the same periods in 2015. The increase in cost of goods sold is due to the increase in sales.

Operating Expenses

Operating expenses for the three and nine months ended June 30, 2016 were $73,987 and $100,063, respectively, as compared to operating expenses for the three and nine months ended June 30, 2015 of $21,220 and $144,911, respectively. This represents an increase of $52,767 for three months ended June 30, 2016 compared to the same period in 2015 and a decrease of $44,848 for the nine months ended June 30, 2016 compared to the same period in 2015. The increase for the three months is a result of the additional operating costs associated with the acquisitions of Creative and Integrated that occurred during the third quarter of 2016. The decrease for the nine months was primarily a result of an overall decrease in our business operations and corresponding decreases in filing fees, insurance, legal and accounting, and office expense.

Net Income (Loss)

Our net income (loss) for the three and nine months ended June 30, 2016 was $(81,936) and $2,585,206, respectively, compared to a net loss of $(27,704) and $(293,346), respectively, for the three and nine months ended June 30, 2015. The change from a net loss in 2015 compared to net income in 2016 is solely due to the change in the derivative liability in 2016. The drop in our stock price as of June 30, 2016 resulted in a significant reduction in the derivative liability as we recorded a corresponding gain in the statement of operations as a result of this reduction in this liability.

We do not anticipate generating revenues in the foreseeable future, and any revenues that we generate may not be sufficient to cover our operating expenses. If we do not succeed in raising additional capital, we may have to cease operations and you may lose your entire investment.

Liquidity and Capital Resources

At June 30, 2016 we had cash of $1,110 as compared to $209 in cash at September 30, 2015. Our accounts receivable at June 30, 2016 were $41,574 compared to $0 at September 30, 2015. Our accounts payable and accrued expenses at June 30, 2016 were $156,947 and $114,521 as of September 30, 2015. On June 30, 2016 we had convertible debentures of $18,912 outstanding, convertible debentures outstanding due to related parties of $224,896 outstanding, notes payables of $188,489, advances to related parties of $55,746 and a derivative liability of $1,467,799. Compared to our outstanding convertible debentures of $18,912, convertible debentures due to related party of $224,896, note payable of $141,989, advances of $55,746 and a derivative liability of $4,152,164 as of September 30, 2015. Our total liabilities were $2,112,789 on June 30, 2016 as compared to $4,708,228 on September 30, 2015. We have a working capital deficit of $2,070,105 as of June 30, 2016 as compared to our working capital deficit of $4,708,019 as of September 30, 2015.

Our auditors have issued a going concern opinion on our financial statements for the year ended September 30, 2015. Unless we secure equity or debt financing, of which there can be no assurance, or identify an acquisition candidate, we will not be able to continue any operations.

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Working Capital

Our total current assets as of June 30, 2016 was cash of $42,684 as compared to total current assets of $209 as of September 30, 2015. The increase in current assets was due to accounts receivable resulting from our recent acquisitions of Creative and Integrated.

Our total current liabilities as of June 30, 2016 were $2,112,789 as compared to total current liabilities of $4,708,228 as of September 30, 2015. The decrease in current liabilities was primarily attributed to a decrease in our derivative liability.

Cash Flows

Operating Activities

Cash used in operating activities was $80,599 for the nine months ended June 30, 2016 compared to $27,411 for the nine months ended June 30, 2015. The increase in cash used in operating activities was primarily due to an increase in accounts receivable and a decrease in accounts payable.

Investing Activities

Cash used in investing activities was $325,000 for the nine months ended June 30, 2016 compared to $80,000 for the nine months ended June 30, 2015. The increase in cash used in investing activities was due to the acquisition of Creative and Integrated for which we paid $25,000 and $300,000, respectively. For the nine months ended June 30, 2015, we purchased two producing oil properties for $80,000.

Financing Activities

Cash provided by financing activities for the nine months ended June 30, 2016 was $406,500 compared to $107,450 for the nine months ended June 30, 2015. The increase was primarily due proceeds from the sale of common stock of $360,000 during the nine months ended June 30, 2016. Proceeds from advances from related parties were $0 for the nine months ended June 30, 2016 compared to $46,950 for the nine months ended June 30, 2015. Proceeds from notes payable were $46,500 during the nine months ended June 30, 2016 and compared to $60,500 during the nine months ended June 30, 2015.

Income & Operation Taxes

We are subject to income taxes in the U.S.

We paid no income taxes in USA for the nine months ended June 30, 2016 and 2015 due to the net operation loss in the USA.

Cash Requirements

We will require additional funds to fund our budgeted expenses over the next 12 months. These funds may be raised through equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our shares. There is still no assurance that we will be able to maintain operations at a level sufficient for investors to obtain returns on their investments in our common stock. Further, we may continue to be unprofitable. We need to raise additional funds in the immediate future in order to proceed with our budgeted expenses.

Specifically, we estimate our operating expenses and working capital requirements for the next 12 months to be as follows:

Professional and Legal Expense of $25,000

Auditing, Accounting and general administrative of $125,000

Working Capital requirements of $25,000

We intend to meet our cash requirements for the next 12 months through a combination of debt financing and equity financing by way of private placements. We currently do not have any arrangements in place to complete any private placement financings and there is no assurance that we will be successful in completing any such financings on terms that will be acceptable to us.

Going Concern

The financial statements accompanying this report have been prepared on a going concern basis, which implies that our company will continue to realize its assets and discharge its liabilities and commitments in the normal course of business. Our company has not generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of our company as a going concern is dependent upon the continued financial support from our shareholders, the ability of our company to obtain necessary equity financing to achieve our operating objectives, and the attainment of profitable operations. As at June 30, 2016, our company has accumulated losses of $4,407,525. We do not have sufficient working capital to enable us to carry out our stated plan of operation for the next twelve months.

Due to the uncertainty of our ability to meet our current operating expenses and the capital expenses noted above in their report on the financial statements for the year ended September 30, 2015, MaloneBailey, LLP., our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

The continuation of our business is dependent upon us raising additional financial support. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Future Financings

We will require additional financing of $250,000, excluding funds for acquisitions, in order to enable us to proceed with our plan of operations, including approximately $200,000 over the next 12 months to pay for our ongoing expenses. These expenses include legal, accounting and audit fees as well as general and administrative expenses. These cash requirements are in excess of our current cash and working capital resources. Accordingly, we will require additional financing in order to continue operations and to repay our liabilities. There is no assurance that any party will advance additional funds to us in order to enable us to sustain our plan of operations or to repay our liabilities.

We anticipate continuing to rely on equity sales of our common stock in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing stockholders. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our planned business activities.

We presently do not have any arrangements for additional financing for the expansion of our exploration operations, and no potential lines of credit or sources of financing are currently available for the purpose of proceeding with our plan of operations.

If we are unable to raise the funds that we require to execute our plan of operation, we intend to scale back our operations commensurately with the funds available to us.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

This report includes the certifications of our Chief Executive Officer and Chief Financial Officer required by Rule 13a-14 under the Securities Exchange Act of 1934 (the "Exchange Act"). See Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

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Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Principal Executive Officer and the Principal Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this report, our management, under the supervision and with participation of our Principal Executive Officer and Principal Financial Officer (the "Certifying Officers") conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2016. Based on that evaluation, our management concluded that there is a material weakness in our disclosure controls and procedures over financial reporting. The material weakness results from a lack of written procedures which effectively documents the proper procedures and descriptions of the duties of all persons involved in the disclosure controls of the Company. The Company hopes to implement plans to document the procedures and internal controls of the Company. A material weakness is a deficiency, or a combination of control deficiencies, in disclosure 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. This does not include an evaluation by the Company's registered public accounting firm regarding the Company's internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our management believes that the Unaudited Financial Statements included herein present, in all material respects, the Company's financial condition, results of operations and cash flows for the periods presented.

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PART II - OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS.

None

ITEM 1A: RISK FACTORS.

There have been no material changes to our risk factors as previously disclosed in our most recent 10-K filing for the year ending September 30, 2015.

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

None.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4: MINE SAFETY INFORMATION.

Not Applicable

ITEM 5: OTHER INFORMATION.

None

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ITEM 6: EXHIBITS

The following exhibits are included as part of this report:

31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101	XBRL Interactive Data Files

* Filed herewith.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CREATIVE WASTE SOLUTIONS, INC.

Date: October 11, 2016

By: */s/ Jared Robinson*
Jared Robinson
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)