UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2018

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from __________ to ___________

Commission file number: 000-55730

BLACKSTAR ENTERPRISE GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	27-1120628
(State of Incorporation)	(IRS Employer ID Number)

4450 Arapahoe Ave., Suite 100, Boulder, CO 80303
(Address of principal executive offices)

(303) 500-5073
(Registrant's Telephone number)

(Former Address and phone of principal executive offices)

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 past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days.

Yes [X] 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 for 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 file, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[X]
(Do not check if a smaller reporting company)		Emerging growth company	[X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act. [ ]

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

Yes [ ] No [X]

Indicate the number of share outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of May 7, 2018, there were 52,000,000 shares of the registrant's common stock, $.001 par value, issued and outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

BLACKSTAR ENTERPRISE GROUP, INC.
CONDENSED BALANCE SHEETS

	March 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash	$ 24,695	$ 34,454
	—	—
Total Current assets	24,695	34,454
Fixed assets		
Furniture and equipment	1,659	1,659
Accumulated depreciation	(944)	(806)
Total fixed assets	715	853
Other assets		
Notes receivable	145,000	145,000
Total other assets	145,000	145,000
Total Assets	$ 170,410	$ 180,307
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 187	$ 3,407
Loan payable - related party	18,500	18,500
Total current liabilities	18,687	21,907
Stockholders' Equity		
Preferred stock, 10,000,000 shares authorized with $0.0001 par value. 1,000,000 shares issued outstanding respectively	1,000	1,000
Common stock, 200,000,000 shares authorized with $0.0001 par value. 52,000,000 issued and outstanding at each period respectively	52,000	52,000
Additional paid in capital	1,725,353	1,725,353
Additional paid in capital - warrants	1,430,000	1,430,000
Stock subscriptions received	165,000	60,000
Accumulated deficit	(3,221,630)	(3,109,953)
Total Stockholders' Equity	151,723	158,400
Total Liabilities and Stockholders' Equity	$ 170,410	$ 180,307

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

BLACKSTAR ENTERPRISE GROUP, INC.
CONDENSED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
REVENUE	$ —	$ —
Cost of revenues	—	—
GROSS PROFIT	—	—
Operating Expenses:		
Depreciation	138	115
Legal and professional	26,510	16,580
Management consulting	71,000	
Corporate registration expense	7,901	
General and administrative	6,128	3,002
Total operating expenses	111,677	19,697
Income (loss) from operations	(111,677)	(19,697)
Other income (expense)		
Interest income (expense)	—	18,000
Other income (expense) net	—	18,000
Income (loss) before provision for income taxes	(111,677)	(1,697)
Provision (credit) for income tax	—	—
Net income (loss)	$ (111,677)	$ (1,697)
Net income (loss) per share (Basic and fully diluted)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding	52,000,000	55,824,970

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

BLACKSTAR ENTERPRISE GROUP, INC.
STATEMENT OF STOCKHOLDER'S EQUITY

	Common Stock		Preferred Stock			Stock		
		Amount		Amount	Paid in	Subscriptions	Accumulated	Stockholders'
	Shares	($ 0.001 Par)	Shares	($ 0.001 Par)	Capital	Received	Deficit	Equity/(Deficit)
Balances - December 31, 2015	11,112,421	$ 11,112	—	—	$ 1,484,737	—	$ (1,839,530)	$ (343,681)
								—
Shares cancelled	(1,000,000)	(1,000)	—	—	1,000	—	—	—
Shares exchanged for debt	1,312,549	1,313	—	—	51,191	—	—	52,504
Shares issued for cash	44,400,000	44,400	1,000,000	1,000	154,600	—	—	200,000
Warrants issued	—	—	—	—	1,328,000	—	—	1,328,000
Warrants issued for debt	—	—	—	—	32,000	—	—	32,000
Net loss for the period	—	—	—	—	—	—	(1,154,285)	(1,154,285)
Balances - December 31, 2016	55,824,970	55,825	1,000,000	1,000	3,051,528	—	(2,993,815)	114,538
Shares cancelled	(3,825,000)	(3,825)	—	—	3,825	—	—	—
Adjust to transfer agent list	30	—	—	—	—	—	—	—
Warrants exercised	16,320,000	16,320	—	—	—	—	—	16,320
Shares cancelled	(16,320,000)	(16,320)	—	—	—	—	—	(16,320)
New shares issued	100,000	100	—	—	29,900	—	—	30,000
Shares surrendered	(100,000)	(100)	—	—	100	—	—	—
Warrants issued	—	—	—	—	70,000	—	—	70,000
Subscriptions received	—	—	—	—	—	60,000	—	60,000
Net loss for the year	—	—	—	—	—	—	(116,138)	(116,138)
Balances - December 31, 2017	52,000,000	52,000	1,000,000	1,000	3,155,353	60,000	(3,109,953)	158,400
Subscriptions received	—	—	—	—	—	105,000	—	105,000
Net loss for the period	—	—	—	—	—	—	(111,677)	(111,677)
Balances - March 31, 2018	52,000,000	$ 52,000	1,000,000	$ 1,000	$ 3,155,353	$ 165,000	$ (3,221,630)	$ 151,723
								—
								—

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

BLACKSTAR ENTERPRISE GROUP, INC.
STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31, 2018	2017
Cash Flows From Operating Activities:		
Net income (loss)	$ (111,677)	$ (1,697)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	138	115
Changes in operating assets and liabilities		
Increase/(Decrease) in accounts payable	(3,220)	6,108
Increase in accrued receivables	—	(18,000)
	—	—
NET CASH USED IN OPERATING ACTIVITIES	(114,759)	(13,474)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Increase in notes receivable	—	(250,000)
NET CASH USED IN INVESTING ACTIVITIES	—	(250,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Stock subscriptions received	105,000	
Increase in notes payable - related party	—	252,500
NET CASH PROVIDED BY FINANCING ACTIVITIES	105,000	252,500
Net Increase (Decrease) In Cash	(9,759)	(10,974)
Cash At The Beginning Of The Period	34,454	14,175
Cash At The End Of The Period	$ 24,695	$ 3,201

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

BLACKSTAR ENTERPRISE GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018
(Unaudited)

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

BlackStar Enterprise Group, Inc. (the Company" or "BlackStar") was incorporated in the State of Delaware on December 18, 2007 as NPI08, Inc. ("NPI08"). In January 2010, NPI08 acquired an ownership interest in Black Star Energy Group, Inc., a Colorado Corporation. BlackStar Energy then merged into NPI08, with NPI08 being the surviving entity. Concurrently, NPI08 changed its name to BlackStar Energy Group, Inc. On January 25, 2016, International Hedge Group, Inc. signed an agreement to acquire a 95% interest in the Company. The name was changed to BlackStar Enterprise Group, Inc. in August of 2016.

The Company is a Delaware corporation organized for the purpose of engaging in any lawful business. The Company intends to act as a merchant banking firm seeking to facilitate venture capital to early stage revenue companies. BlackStar intends to offer consulting and regulatory compliance services to crypto-equity companies and blockchain entrepreneurs for securities, tax, and commodity issues. BlackStar is conducting ongoing analysis for opportunities in involvement in crypto-related ventures though a wholly-owned subsidiary, Crypto Equity Management Corp. ("CEMC"). BlackStar intends to serve businesses in their early corporate lifecycles and may provide funding in the forms of ventures in which they control the venture until divestiture or spin-off by developing the businesses with capital. The Company currently trades on the OTC QB under the symbol "BEGI".

The Company's fiscal year end is December 31st. The Company's financial statements are presented on the accrual basis of accounting.

Basis of presentation – Unaudited Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with United States generally accepted accounting principles for financial information and with the instructions to Form 10-Q. They do not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements for the year ended December 31, 2017 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission. These unaudited financial statements should be read in conjunction with those financial statements included in the Form 10-K. In the opinion of Management, all adjustments considered necessary for a fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the three months ended March 31, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018.

NOTE 2 – GOING CONCERN

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the financial statements for the three months ended March 31, 2018 and the years ended December 31, 2017 and 2016, the Company has generated no revenues and has incurred losses. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The continuation of the Company as a going concern is dependent upon the ability to raise equity or debt financing, and the attainment of profitable operations from the Company's planned business. Management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

The Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties and all highly liquid investments with an original maturity of three months or less as cash equivalents.

Revenue recognition

The Company has realized minimal revenues from operations. The Company recognizes revenues when the sale and/or distribution of products is complete, risk of loss and title to the products have transferred to the customer, there is persuasive evidence of an agreement, acceptance has been approved by the customer, the fee is fixed or determinable based on the completion of stated terms and conditions, and collection of any related receivable is probable. Net sales will be comprised of gross revenues less expected returns, trade discounts, and customer allowances that will include costs associated with off-invoice markdowns and other price reductions, as well as trade promotions and coupons. The incentive costs will be recognized at the later of the date on which the Company recognized the related revenue or the date on which the Company offers the incentive.

Basic and Diluted Loss per Share

The Company computes loss per share in accordance with “ASC-260,” “Earnings per Share” which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common share during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period. Diluted loss per share excludes all potential common shares if their effect is anti-dilutive.

Income Taxes

The Company accounts for income taxes pursuant to ASC 740. Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases.

The Company maintains a valuation allowance with respect to deferred tax asset. Blackstar Enterprise Group establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company’s financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carry-forward period under Federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the reliability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change estimate.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company has adopted paragraph 360-10-35-17 of FASB Accounting Standards Codification for its long-lived assets. The Company’s long –lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the assets expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review; (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner of use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; (v) a significant decline in the Company's stock price for a sustained period of time; and (vi) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The impairment charges, if any, are included in operating expenses in the accompanying statements of operations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

The Company's significant estimates include income taxes provision and valuation allowance of deferred tax assets; the fair value of financial instruments; the carrying value and recoverability of long-lived assets, and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Fair value of Financial Instruments

The estimated fair values of financial instruments were determined by management using available market information and appropriate valuation methodologies. The carrying amounts of financial instruments including cash approximate their fair value because of their short maturities.

Long Lived Assets

In accordance with ASC 350 the Company regularly reviews the carrying value of intangible and other long-lived assets for the existence of facts or circumstances both internally and externally that suggest impairment. If impairment testing indicates a lack of recoverability, an impairment loss is recognized by the Company if the carrying amount of a long-lived asset exceeds its fair value.

Stock-based Compensation

The Company accounts for stock-based compensation issued to employees based on FASB accounting standard for Share Based Payment. It requires an entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award – the requisite service period (usually the vesting period). It requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. The scope of the FASB accounting standard includes a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. The Company currently has no stock based compensation plan in place.

Recent pronouncements

Management has evaluated accounting standards and interpretations issued but not yet effective as of March 31, 2018, and, does not expect such pronouncements to have a material impact on the Company's financial position, operations, or cash flows.

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

During the quarter ended September 30, 2016, the Company purchased certain office equipment for a total of $1,659. This equipment is being depreciated over a three-year life and the Company has recorded a depreciation expense of $138 for the current quarter.

NOTE 5 – NOTE RECEIVABLE

During the month of October 2016, the Company identified a target company in which management felt it would be beneficial to invest. The target company was looking for an aggregate investment of $2,500,000, of which the Company agreed to provide $500,000 and provide assistance in raising the remaining $2,000,000.

The terms of this investment were that the note would bear an interest rate of 12% and the lender (Company) shall receive two (2) shares of Series B Convertible Preferred stock for each one dollar ($1.00) loaned to the target company. Payments on the note shall commence at such time the target company is generating gross revenues. The payment shall consist of 15% of the gross revenues ratably apportioned among the then existing note holders. Said payments to be applied first to accrued interest and then to the outstanding principal. Notwithstanding the aforementioned payment schedule the entire note becomes due and payable on February 1, 2019. Commencing not later than February 1, 2019, the target company shall pay a 15% dividend to the holders of the Series B Convertible Preferred stock until such time as each holder of the Series B Convertible Preferred stock has received an amount equivalent to their original loan. At such time the Series B Convertible Preferred stock shall be converted into common stock of the target company at the rate of one share of common stock for each share of Convertible stock.

During the month of January 2017, the Company advanced the second tranche of these funds.

On September 27, 2017, the Company entered into an Agreement to Settle Debt (the "Agreement") with International Hedge Group, Inc. ("IHG"), the majority stockholder of the Company. Under the Agreement, IHG agreed to compromise and settle the Principal Amount under the verbal working capital loan agreement of BEGI, as of November 2016, in the amount of $400,000, by assignment, without recourse, of the MeshWorks Media Corp, Promissory Notes together with all collateral agreements. Upon signing of the Agreement, a promissory note was delivered for the difference from IHG to BEGI in the amount of $145,000 for BEGI return of principal of $100,000 and all of the accrued interest to date under the MeshWorks Media Corp. notes, payable in twelve months with interest of 1% per quarter on the last day of each quarter until paid. The assignment of the MeshWorks Media Corp. Promissory Note and the note from IHG to BEGI in the amount of $145,000 is full and complete payment and consideration for the transaction referenced hereinabove. A copy of the Agreement is available from the Company or by accessing the form 8-K filed by the Company with the Securities and Exchange Commission on September 27, 2017.

NOTE 6 – STOCKHOLDER'S DEFICIT

The total number of common shares authorized that may be issued by the Company is 200,000,000 shares with a par value of $0.001 per share. The Company is authorized to issue 10,000,000 shares of preferred stock with a par value of $0.001 per share.

On August 25, 2016 the Company issued 1,000,000 shares of its preferred series A stock to IHG in fulfillment of the purchase agreement. As at March 31, 2018 there are 1,000,000 preferred series A shares issued and outstanding. These shares are convertible at a ratio of 100 shares of the common stock of the Company for each share of preferred stock of the Company.

As at March 31, 2018 the total number of common shares outstanding was 52,000,000. The Company has an ongoing program of private placements to raise funds to support the operations. During the period ended March 31, 2016, the

Company entered into a purchase agreement with International Hedge Group, Inc. ("IHG") whereby certain existing stockholders would surrender their stock and IHG would acquire a 95% working interest in the Company.

During the quarter ended September 30, 2016, the Company issued 1,322,579 shares of its common stock to satisfy certain accounts payable and notes payable plus accrued interest. The stock was valued at $0.04 per share which valued the total debt relief at $52,903. The debts discharged in these transactions were valued at $335,072. These transactions were with unrelated parties giving the Company a net gain of $282,569 as gain on debt relief.

During the quarter ended September 30, 2016, the Company issued 34,000,000 warrants for the purchase of its common stock at $0.05 per share. Using the Black-Scholes valuation model the Company assigned a value of $1,360,000 to these warrants. The Company recorded an expense of $1,328,000 on the operating statement for the quarter ended March 31, 2018. The Company also used 800,000 of these warrants to satisfy an account payable to a service provider. The value of the debt discharged in this transaction was $20,253. This transaction was with an unrelated party giving the Company a net loss of $11,747 on the debt relief. Total net gain on all debt relief transactions was $270,822.

During the quarter ended September 30, 2017, the Company sold 100,000 shares of its common stock at a price of $0.30. Each of the shares sold had a warrant to purchase one additional share for $0.60 with an exercise period of 5 years. Using the Black-Scholes valuation model the Company assigned a value of $70,000 to these warrants. The Company recorded an expense of $70,000 on the operating statement for the quarter ended September 30, 2017. Concurrently, with the sale of these shares, International Hedge Group, the majority stockholder of the Company, surrendered 100,000 of its shares.

In December of 2017 the Company began a private placement program to raise additional funds for the operations of the Company. At the end of December 2017, the Company had received $60,000 in subscriptions for this offering. During the quarter ended March 31, 2018, the Company had received an additional $105,000 in subscriptions. These amounts are reflected on the balance sheet and the statement of stockholder's equity as "Stock subscriptions received." The offering is explained in greater detail in the footnote: **PRIVATE OFFERING.**

Super Majority Voting Rights. The record Holders of the Class A Preferred Convertible Stock shall have the right to vote on any matter with holders of Common Stock and may vote as required on any action, which Delaware law provides may or must be approved by vote or consent of the holders of the specific Class of voting preferred shares and the holders of common shares. The Record Holders of the Class A Preferred Shares shall have the right to vote on any matter with holders of common stock voting together as one (1) class. The Record Holders of the Class A Preferred Shares shall have that number of votes (identical in every other respect to the voting rights of the holders of other Class of voting preferred shares and the holders of common stock entitled to vote at any Regula or Special Meeting of the Shareholders) equal to that number of common shares which is not less than 60% of the vote required to approve any action, which Delaware law provides may or must be approved by vote or consent of the holders of other Class of voting preferred shares and the holders of common shares or the holders of other securities entitled to vote, if any.

NOTE 7 – WARRANTS

At the time of the issuance of stocks referenced in Note 6 the Company issued 34,000,000 warrants to purchase the Company's common stock at an exercise price of $0.05. These warrants have an exercise price of $0.05 per share and an expiration date that is three years from the date of issuance. The warrants were issued to the existing shareholders of International Hedge Group. There are 15 stockholders in IHG and 6 of these represent owners of greater than 5% of IHG stock. These 6 stockholders received 57.35% of the warrants issued. Of that, 800,000 of warrants were issued to satisfy outstanding accounts payable. The payable amounted to $20,253 and the warrants were valued at $32,000 giving rise to a loss of $11,747 on the settlement of debt.

Using the Black-Scholes valuation model a value of $1,328,000 is assigned to these warrants. The parameters used in the Black-Scholes model were as follows: stock price $0.04; strike price $0.05; volatility 172%; risk free rate 1.75% and time to expiration of 3 years. This expense is recorded on the books of the Company as "Warrant expense" with an offsetting entry in the Stockholder's Deficit section as "Additional paid in capital – Warrants."

On June 14, 2017, the Company received notice from the holders of 17,000,000 warrants as to their intentions to convert the warrants into shares of common stock of the Company. The Company instructed the transfer agent to proceed with the issuance of 16,320,000 shares of the common stock of the Company. This exercise was carried out on a "cashless exercise" which meant that the actual exercise resulted in no cash being received by the Company. The number of shares of common stock to be issued in exchange for the warrants was calculated by using the closing price of the stock on the last trading day prior to the exchange which was $1.25. The value of the warrant was subtracted from the trading price which was then multiplied by the number of warrants being exercised. This result was then divided by the last trading price to determine the number of shares to be issued. At the same time that these warrants were exercised International Hedge Group agreed to surrender 16,320,000 shares of the common stock of the Company that it holds. This transaction produced no financial consequence to the Company.

On July 3, 2017, in consideration for $30,000, BEGI sold 100,000 units, each unit consisting of one share of restricted common stock and one warrant to purchase common stock, in accordance with and in reliance upon the exemption from securities registration for offers and sales to accredited investors afforded, inter alia, by Rule 506 under Regulation D as promulgated by the United States Securities and Exchange Commission (the "SEC") under the 1933 act, and/or Section 4(a)(2) of the 1933 Act.

As at March 31, 2018 the Company has not received any further notifications with respect to any exercise of any outstanding warrants

Warrant Table

	Date	Issue Life	Shares Under Warrant	Exercise Price	Remaining Life
Balance at	December 31, 2015		0	0	0
Granted	August 30, 2016	3.00	34,000,000	$ 0.05	1.78
Exercised	June 14, 2017		(17,000,000)	0	0
Issued	July 5, 2017	5.00	100,000	$ 0.60	4.33
Expired			0	0	0
Balance at	March 31, 2018		17,100,000	$ 0.05	2.42

NOTE 8 – INCOME TAXES

A reconciliation of the provision for income taxes at the United States federal statutory rate of 21% and a Colorado state rate of 5% compared to the Company's income tax expense as reported is as follows:

Income tax valuation allowance

	March 31, 2018	December 31, 2017	December 31, 2016
Net loss before income taxes	$ (111,677)	$ (116,138)	$ (1,154,285)
Adjustments to net loss			
Warrant expense	—	—	1,328,000
Gain on exchange of debt for stock	—	—	(270,822)
Net taxable income (loss)	(111,677)	(116,138)	(92,107)
Income tax rate	26%	26%	26%
Income tax recovery	29,050	30,200	23,950
Valuation allowance change	(29,050)	(30,200)	(23,950)
Provision for income taxes	$ —	$ —	$ —

The significant components of deferred income tax assets at March 31, 2018, December 31, 2017 and 2016 are as follows:

Components of deferred income tax assets

	March 31, 2018	December 31, 2017	December 31, 2016
Net operating loss carryforward	$ 324,922	$ 213,245	$ 97,107
Valuation allowance	(324,922)	(213,245)	(97,107)
Net deferred income tax asset	$ —	$ —	$ —

As of March 31, 2018, the Company has no unrecognized income tax benefits. Based on management's understanding of IRC Sec 383 the substantial change in ownership and change in business activities precludes any carryforward of the accumulated net operating losses. The Company's policy for classifying interest and penalties associated with unrecognized income tax benefits is to include such items as tax expense. No interest or penalties have been recorded during the years ended December 31, 2017 and 2016, and no interest or penalties have been accrued as of March 31, 2018. As of December 31, 2017, the Company did not have any amounts recorded pertaining to uncertain tax positions.

As at March 31, 2018 the Company is current with federal and state income tax filings for 2017, 2016 and 2015. The Company is currently not under examination by the Internal Revenue Service or any other taxing authorities. The Company has not recorded any liability for an uncertain tax position related to the lack of return filings since the Company records show a continuing pattern of losses for the periods in question. Since penalties are commonly assessed based on tax amounts owed management has deemed in unnecessary to record any liability.

NOTE 9 – LOAN PAYABLE

As of the quarter ended March 31, 2018 International Hedge Group, the holder of a majority of the common stock and all of the preferred stock of the Company has advanced a total of $440,500 to the Company. During the quarter ended September 30, 2017 the Company made repayments in the amount of $22,000. On September 27, 2017 the Company entered into an Agreement with International Hedge Group to effect an exchange of this Loan Payable in the amount of $400,000 and a Note Receivable in the amount of $145,000 for the Note Receivable and accrued interest from MeshWorks Media Corp. in the amount of $545,000. Further details can be seen in Note 5 of these financial statements.

This loan is not secured, bears no interest, is not documented in writing and is payable on demand of the lender.

NOTE 10 – OTHER EVENTS

On September 30, 2017, the Company formed a wholly-owned subsidiary corporation, Crypto Equity Management Corp ("CEMC") in the state of Colorado. The Company intends to use CEMC to pursue business opportunities in cryptocurrency sphere.

NOTE 11 – PRIVATE OFFERING

In December of 2017 the Company initiated a private offering to raise additional funds. A summary of this offering is as follows:

The offering is a maximum of 1,000,000 units at $0.50 per unit. Each unit consists of 1 common share of BlackStar Enterprise Group, Inc. (BlackStar), 1 warrant exercisable into 1 Coin of BlackStar (coins effective upon a registration statement), and 1 right to purchase 1 share of Crypto Equity Management Corp. at $10.00 per share. The units offered are not registered and the underlying stock and coin will be restricted under Rule 144 as to resale unless made effective by registration with the SEC, or another exemption is made available under the Securities Act of 1933. The Company reserves the right to accept an additional 1,000,000 units.

The receipt of ongoing purchases of this private offering are reflected in the Equity section of the balance sheet and on the Statement of Stockholder's Equity as "Stock subscriptions received. Management deems this method of reporting to be an accurate reflection of the terms of the offering. The stock purchased through this offering will not be issued until the complete offering is purchased or December 29, 2018, whichever comes first.

Management intends that the BlackStar Coin be treated as a SAFE (Simple Agreement for Future Equity) contract. The terms and conditions of this contract are yet to be determined by the Company. It is considered to be a derivative equity instrument that, at present, has no value due to not being defined by any terms or conditions. Management hereby declares that the BlackStar Coin is not intended to be a crypto currency as commonly understood since it will, at some future time, be convertible into common shares of the Company.

Management has researched and has found no definitive means for valuing the "BlackStar Coin". First; the coin is not yet in existence, second; it is considered a tier 3 asset which relies on secondary sources of valuation which, at this time are not viable. The Internal Revenue Service in their Notice 2014-21 states "Virtual currency that has an equivalent value in real currency, or that acts as a substitute for real currency, is referred to as 'convertible' virtual currency."

The essence of the Notice 2014-21 is that the Internal Revenue Service deems that a virtual currency transaction is subject to the United States income tax laws in much the same manner as the "barter clubs" in the past. This means that the holder must necessarily maintain records of the acquisition costs in USD and the fair market value of the goods or services acquired by the expenditure of the virtual currency. With this information the taxpayer calculates a gain or a loss on the transaction in the normal manner.

The Accounting Standards Board has convened a committee to investigate and promulgate reporting requirements with respect to the virtual currency situation. As of the date of these financial statements there has been no such pronouncement made.

Given that the coins have not been issued and that there is no stock issued in Crypto Equity Management Corp, causing the warrants for such stock to have no value per the Black-Scholes valuation model, management has determined that the full exercise price of $0.50 be applied to the shares of BlackStar Enterprise Group, Inc. using the capital stock and paid in capital reporting as is customarily reported.

As at March 31, 2018, the Company had received a total of $165,000 in exchange for 330,000 units of this offering. The Company stock will be issued upon the earlier of full sale of all units or December 29, 2018.

NOTE 12 – GENERAL AND ADMINISTRATIVE EXPENSES

Components of General and Administrative Expenses

	Three Months Ended March 31,	
	2018	**2017**
Continuing education	371	—
Filing fees	830	550
Meals and entertainment	800	265
Office expense	374	—
Rent expense	355	522
Transfer Agent	2,926	706
Travel	203	—
Utilities	269	509
Website	—	450
	$ 6,128	$ 3,002

NOTE 13 - SUBSEQUENT EVENTS

As of May 7, 2018, there have been no events that would require additional disclosure to these financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements and Associated Risks.

This form 10-Q contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose any statements contained in this Form 10-Q that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "may", "will", "expect", "believe", "anticipate", "estimate, or "continue" or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within our control. These factors include but are not limited to economic conditions generally and in the industries in which we may participate; competition within our chosen industry, including competition from much larger competitors; technological advances and failure to successfully develop business relationships.

Based on our financial history since inception, our auditor has expressed substantial doubt as to our ability to continue as a going concern. As reflected in the accompanying financial statements, as of March 31, 2018, we had an accumulated deficit totaling $3,221,630. This raises substantial doubts about our ability to continue as a going concern.

Plan of Operation

Our Company, BlackStar Enterprise Group, Inc. ("BlackStar Enterprise," "We," or the "Company") was originally formed on December 17, 2007 as NPI08, Inc. in the State of Delaware. Our name was changed in 2010 to BlackStar Energy Group, Inc. In August of 2016, our name was changed to BlackStar Enterprise Group, Inc.

BlackStar Enterprise is engaged in Merchant Banking and Finance. BlackStar Enterprise's venue is private early stage companies throughout various industries that, in our judgement, exhibit a potential for sustained growth. We are a publicly traded specialized merchant banking firm, facilitating joint venture capital to early stage revenue companies. We are actively seeking opportunity for discussion with revenue generating enterprises and emerging companies for financing. BlackStar intends to offer consulting and regulatory compliance services to crypto-equity companies, and blockchain entrepreneurs for securities, tax, and commodity issues. BlackStar is conducting ongoing analysis for opportunities in involvement in crypto-related ventures though our wholly-owned subsidiary, Crypto Energy Management Corp. ("CEMC") formed in September 2017. BlackStar Enterprise Group, Inc. is traded on the OTC QB under the symbol "BEGI."

Our principal executive offices are located at 4450 Arapahoe Ave., Suite 100, Boulder, CO 80303 and our office telephone number is (303) 500-5073. We maintain a website at www.blackstarenterprisegroup.com, and such website is not incorporated into or a part of this filing.

International Hedge Group, Inc. ("IHG"), our parent company, contracted to acquire 95% of our outstanding stock in January 2016 and closed on the purchase in summer of 2016. IHG is our controlling shareholder and is engaged in providing management services to companies, and, on occasion, capital consulting. IHG's strategy in investing in BlackStar Enterprise Group, Inc. is to own a controlling interest in a publicly quoted company which has the mission to engage in funding of start-up and developed business ventures using its stock for private placement or public offerings. IHG and BlackStar are currently managed and controlled by the same individuals, but IHG and BlackStar may each seek its funding from different and as yet, undetermined sources, with funding structures of different natures.

We intend to expend funds over the next four quarters as follows:

2nd Quarter 2018		Ventures	$250,000
		Operations	$50,000
3rd Quarter 2018		Ventures	$250,000
		Operations	$50,000
4th Quarter 2018		Ventures	$250,000
		Operations	$50,000
1st Quarter 2019		Ventures	$250,000
		Operations	$50,000

Our Budget for operations in the next year is as follows:

Working Capital – Ventures	$	1,000,000
Legal, Audit and Accounting	$	100,000
Fees, rent, travel and general & administrative expenses	$	100,000
	$	**1,200,000**

The Company may change any or all of the budget categories in the execution of its business model. None of the line items are to be considered fixed or unchangeable. The Company may need substantial additional capital to support its budget. We have not recognized revenues from our operational activities.

Based on our current cash reserves of approximately $20,000 as of May 7, 2018, we have the cash for an operational budget of three months. We intend to offer a private placement of stock or convertible Notes to investors in order to achieve $1,200,000 in funding in the next year. We intend to commence this offering in late Spring of 2018. If we are unable to generate enough revenue, to cover our operational costs, we will need to seek additional sources of funds. Currently, we have no committed source for any funds as of date hereof. No representation is made that any funds will be available when needed. In the event funds cannot be raised if and when needed, we may not be able to carry out our business plan and could fail in business as a result of these uncertainties.

The independent registered public accounting firm's report on our financial statements as of December 31, 2017, includes a "going concern" explanatory paragraph that describes substantial doubt about our ability to continue as a going concern.

While our cash reserves were only $20,000 in May 2018, our parent company, IHG, has agreed to fund on an interim basis any shortfall in our cash reserves. We would use our funds to pay legal, accounting, office rent and general and administrative expense. Our estimates were that $24,000 was adequate for these items for the last quarter of 2017. We have estimated $50,000 per quarter in 2018 in operations costs which includes legal, accounting, travel, general and administrative, audit, rent, telephones and miscellaneous. In early 2018, we completed a private placement of units for $165,000 which increased our working capital.

We received the funding to loan the monies to our first borrower company, Meshworks Media Corporation, from our parent, IHG, in the form of two loans to BlackStar for a total of $500,000. The notes are three-year notes payable at 6% interest per year.

MATERIAL TERMS OF OUR LOANS TO MESHWORKS MEDIA CORPORATION

Meshworks Media Corporation ("Meshworks") borrowed $250,000 from BlackStar Enterprise Group, Inc. on November 1, 2016, bearing Interest at the annual rate of 12 % and a second loan was made for $250,000 in January 2017, with the following material terms:

1. Payment. Commencing January 2, 2017, the venture shall issue payments to the lender(s) equal to 15% of the previous months' revenue and said revenue payments, of principal and interest, shall continue thereafter, to be issued on the first day of each month, until the principal and interest have been paid in full to the lender(s) but in no case, later than January 1, 2019 ("Maturity Date") when any unpaid principle and interest shall be due in full.

2. Security. The Note is secured to us by a security agreement covering all of Meshworks' assets and revenues.

3. Additional Consideration. We received, as additional consideration, 2 shares of Series B Convertible Preferred stock (Series B Stock) for each one dollar ($1.00) loaned to Meshworks. After repayment of the loan but no later than February 1, 2019 the Series B Stock, which we own is to receive dividends from profit based on 15% of the previous months' revenue which will continue until such time as we have received distributions equal to the full amount of the loan. At that point, the Series B Preferred shall automatically convert to common stock of Meshworks at the rate of one share of common for each share of preferred converted. Until such time as all dividends have been paid, Meshworks shall not pay any dividends to or on its outstanding common stock.

Our Meshworks loan met our lending criteria as follows:

- Meshworks had spent over $1,000,000 in investment in its software.
- Meshworks had generated over $800,000 in income in prior years.
- Meshworks has a software product that appears to be at the forefront to serve the real estate industry, with potential for a) repayment of the loan, and b) potential for equity participation in the venture.

As a result of our Agreement to settle debt we no longer have any loans to companies and we do not intend to make loans in the future. Under our revised business plan, we will control all of our business ventures until divestiture, spin-off, or liquidation.

Results of Operations

For the Three Months Ended March 31, 2018

During the three months ended March 31, 2018 and 2017, we had no revenue, no cost of revenues, and no gross profit. During the three months ended March 31, 2018, we recognized a net loss of $(111,677) compared to a net loss of $(1,697) during the three months ended March 31, 2017. Our operating expenses included $138 in depreciation, $26,510 in legal and professional fees, $71,000 in management consulting fees, $7,901 in corporate registration expenses and $6,128 in general and administrative fees, for a total of $111,677 for the three months ended March 31, 2018. Both operating expenses and warrant expenses were higher for the quarter ended March 31, 2018 compared to the same quarter in 2017.

Net loss per share for the three-month period in 2018 and 2017 was $0.00 and $0.00 per share, respectively.

Our auditor has expressed substantial doubt as to whether we will be able to continue to operate as a "going concern" due to the fact that the Company has an accumulated deficit of $(3,221,630) as of March 31, 2018, compared to an accumulated deficit of $(3,109,953) at December 31, 2017, and has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining the adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

Liquidity and Capital Resources

At March 31, 2018, we have total assets of $170,410 consisting of $24,695 in cash, $1,659 in furniture and equipment and accrued note receivable – related party of $145,000. Current liabilities at March 31, 2018 were $18,687 and consisted of accounts payable of $187 and loan payable to a related party of $18,500. At March 31, 2018, we had a deficit of ($3,221,630) working capital.

On June 14, 2017, the Company received notice from the holders of warrants as to their intentions to convert the warrants into shares of common stock of the Company. The Company instructed the transfer agent to proceed with the issuance of 16,320,000 shares of the common stock of the Company. This exercise was carried out as a "cashless exercise" which meant that the actual exercise resulted in no cash being received by the Company. The number of shares of common stock to be issued in exchange for the warrants was calculated by using the closing price of the stock on the last trading day prior to the exchange which was $1.25. The value of the warrant was subtracted from the trading price which was then multiplied by the number of warrants being exercised. This result was then divided by the last trading price to determine the number of shares to be issued. At the same time that these warrants were exercised, International Hedge Group, Inc. agreed to retire to treasury 16,320,000 shares of the common stock of the Company that it holds. This transaction produced no financial consequence to the Company.

We do not currently have any consulting agreements.
We do not currently have any outstanding debts, including promissory notes or other bank debt other than loans payable to a related party in the amount of $18,500. On September 23, 2011, the Company received $50,000 in the form of cash as a temporary loan from a director of the Company. The Company has elected to accrue interest at the rate of 6% per annum non-compounding. The Company has not received any notice of default and has continued to accrue interest on its books at the rate of 6% each year. During the month of August 2016 the Company agreed to issue 200,000 shares of its common stock in satisfaction for this indebtedness along with all accrued interest, and authorized the shares conditioned upon receipt of a release.

On July 11, 2011, the Company received $200,000 in the form of cash in exchange for a promissory note bearing interest at the rate of 6% per annum. The note does not specify that the interest is compounding therefore the Company is accruing the expense at a simple interest rate of 6%. The Company has not received any notice of default and has continued to accrue interest on its books at the rate of 6% each year. During the month of August 2016 the Company issued 700,000 shares of its common stock in exchange for this indebtedness along with all accrued interest.

As at March 31, 2018, our cash balance was $24,695 as compared to $34,454 at December 31, 2017. We intend to attempt to raise capital through several sources: a) partner venture funds, b) private placements of our stock, and/or c) loans from our parent IHG. We do not anticipate generating sufficient amounts of revenues to meet our working capital requirements. Consequently, we intend to make appropriate plans to ensure sources of additional capital in the future to fund growth and expansion through additional equity or debt financing or credit facilities.

Our total assets at March 31, 2018 were $170,410 compared to $180,307 as of December 31, 2017.

We do not have terms or committed sources of capital of any type at this time. If we are able to raise additional capital, we intend to make additional loans and would intend to use the funds repaid from the loans to a) retire debt, and b) fund additional loans to companies, and c) to provide operational funds.

We have been, and intend to continue, working toward identifying and obtaining new sources of financing. No assurances can be given that we will be successful in obtaining additional financing in the future. Any future financing that we may obtain may cause significant dilution to existing stockholders. Any debt financing or other financing of securities senior to common stock that we are able to obtain will likely include financial and other covenants that will restrict our flexibility. Any failure to comply with these covenants would have a negative impact on our business, prospects, financial condition, results of operations and cash flows.

If adequate funds are not available, we may be required to delay, scale back or eliminate portions of our operations or obtain funds through arrangements with strategic partners or others that may require us to relinquish rights to certain of our assets. Accordingly, the inability to obtain such financing could result in a significant loss of ownership and/or control of our assets and could also adversely affect our ability to fund our continued operations and our expansion efforts.

We do not anticipate that we will purchase any significant equipment over the next twelve months.

We do not anticipate any significant changes in the number of employee unless we significantly increase the size of our operations. We believe that we do not require the services of additional independent contractors to operate at our current level of activity. However, if our level of operations increases beyond the level that our current staff can provide, we may need to supplement our staff in this manner.

Financing Activities

During the quarter ended March 31, 2018, the Company received $105,000 from subscription agreements or private placement offerings. The Company received shareholder contributions in the amount of $-0- in the three months ended March 31, 2018.

On January 25, 2016, the Company received and agreed to a purchase of its common stock from International Hedge Group, Inc. (IHG) to purchase a 95% controlling interest in the Company. At the closing IHG was to provide the Company with a promissory note in the amount of $200,000 payable over a 180-day period in increments as the buyer is able to achieve funding. As at the date of the annual report on Form 10-K the Company had received $200,000 in cash.

During the period ended March 31, 2018, the Company received 10 shareholder subscriptions for a total of $105,000 for 210,000 shares of common stock. During the year ended December 31, 2017, the Company received $60,000 in shareholder subscriptions to be used in the Company's regular activities. As of December 31, 2017, the Company has used these proceeds on the Company's operations and purchases.

During the year ended December 31, 2016, the Company received $200,000 in private placement subscriptions for the Company's common stock and issued 44,400,000 shares of common stock and 1,000,000 shares of preferred stock. During the year ended December 31, 2016, the Company issued 1,312,549 to consultants for services rendered and in exchange for debt, with the shares valued at $52,504.

Investing Activities

The Company used $0 in investing activities for the quarter ended March 31, 2018. The Company used $105,000 in investing activities for the year ended December 31, 2017, with $0 going to fixed assets and $105,000 being used for Notes Receivable.

Operating Activities

During the quarter ended March 31, 2018, the Company used cash in the amount of $114,759 in operating activities, compared to $13,474 over the same quarter in the previous year. In the year ended December 31, 2017, the Company used cash in the amount of $113,221 in operating activities, compared to $1,296,670 over the previous year.

Going Concern

We have only a very limited amount of cash and have incurred operating losses and limited cash flows from operations since inception. As of March 31, 2018 and December 31, 2017, we had accumulated deficit of $3,221,630 and $3,109,953, respectively and we will require additional working capital to fund operations through 2018 and beyond. These factors, among others, raise substantial doubt about our ability to continue as a going concern. Our financial statements included in this Form 10-Q do not include any adjustments related to recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should we be unable to continue as a going concern. The audited financial statements included in the Company's recent annual report on Form 10-K have been prepared assuming that we will continue as a going concern and do not include any adjustments that might result if we cease to continue as a going concern.

Based on our financial history since inception, in their report on the financial statements for the period ended December 31, 2017, our independent registered public accounting firm has expressed substantial doubt as to our ability to continue as a going concern. There is no assurance that any revenue will be realized in the future.

There can be no assurance that we will have adequate capital resources to fund planned operations or that any additional funds will be available to us when needed or at all, or, if available, will be available on favorable terms or in amounts required by us. If we are unable to obtain adequate capital resources to fund operations, we may be required to delay, scale back or eliminate some or all of our operations, which may have a material adverse effect on our business, results of operations and ability to operate as a going concern.

Short Term

On a short-term basis, we have not generated revenues sufficient to cover our growth-oriented operations plan. Based on prior history, we may continue to incur losses until such a time that our revenues are sufficient to cover our operating expenses and growth-oriented operations plan. As a result, we may need additional capital in the form of equity or loans, none of which is committed as of this filing.

Capital Resources

We have only common stock as our capital resource, and our assets, cash and receivables.

We have no material commitments for capital expenditures within the next year, however, as operations are expanded substantial capital will be needed to pay for expansion and working capital.

Need for Additional Financing

We do not have capital sufficient to meet our growth plans. We have made equity and debt offerings in order to support our growth plans, to date, and may do so in the future.

No commitments to provide additional funds have been made by our management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available to us to allow coverage of our expenses as they may be incurred.

Off Balance Sheet Arrangements

None

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time period 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 in our reports filed or submitted under the Securities Exchange Act of 1934 is accumulated and communicated to management including our principal executive officer/principal financial officer as appropriate, to allow timely decisions regarding required disclosure.

Management has carried out an evaluation of the effectiveness of the design and operation of our company's disclosure controls and procedures. Due to the lack of personnel and outside directors, management acknowledges that there are deficiencies in these controls and procedures. The Company anticipates that with further resources, the Company will expand both management and the board of directors with additional officers and independent directors in order to provide sufficient disclosure controls and procedures.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) or 15d-15(f)) during the quarter ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Not Applicable to Smaller Reporting Companies.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

Table of Contents

ITEM 6. EXHIBITS

Exhibits. The following is a complete list of exhibits filed as part of this Form 10-Q. Exhibit numbers correspond to the numbers in the Exhibit Table of Item 601 of Regulation S-K.

31.1	Certification of Chief Executive Officer Pursuant to Rule 13a–14(a) or 15d-14(a) of the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
32.1	Certification of Chief Executive Officer under Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer under Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document (1)
101.SCH	XBRL Taxonomy Extension Schema Document (1)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (1)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (1)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (1)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (1)

(1) Pursuant to Rule 406T of Regulation S-T, this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	BLACKSTAR ENTERPRISE GROUP, INC. **(Registrant)**
Dated: May 14, 2018	By: /s/ John Noble Harris John Noble Harris (Chief Executive Officer, Principal Executive Officer)
Dated: May 14, 2018	By: /s/ Joseph E. Kurczodyna Joseph E. Kurczodyna (Chief Financial Officer, Principal Accounting Officer)