Biostem Technologies, Inc.

Financial Statements
For the year ended December 31, 2014

(unaudited)

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(The accompanying notes are an integral part of these financial statements)

Biostem Technologies, Inc.

Balance Sheets

(unaudited)

	December 31, 2014 $	December 31, 2013 $
ASSETS		
Cash	50,809	23,131
Amounts Receivable		
Total Current Assets	50,809	23,131
Investment in Stem Cell Marketing		
Investment in South of the Border Holdings (note 3)	-	75,000
Property and Equipment (note 3)	73,000	48,000
Intangible Assets (note 3)	-	36,188
Total Non-Current Assets	73,000	159,188
Total Assets	123,809	182,319
LIABILITIES		
Current Liabilities		
BioStem Credit Card	3,095	
Convertible note payable (note 5)	184,509	39,509
Debt Repayment	-	
Due to Replated Party (note 4)	-	40,303
Steve Swank Loan	-	
Conversion Note	-	
J3 Loan	12,100	
Liability	-	
Total Liabilities	199,704	79,812
STOCKHOLDER'S EQUITY		
Series A Convertible Preferred Stock		
Authorized: 500,000 preferred shares with a par value of $0.001 per share		
Issued and outstanding: 500,000 preferred shares	500	500
Series B Preferred Stock		
Authorized: 500,000 preferred shares with a par value of $0.001 per share		
Issued and outstanding: 475,005 preferred shares	475	475
Common Stock		
Authorized: 975,000,000 common stock with a par value of $0.001 per share		
Issued and outstanding: 491,316,443 common stock	491,316	139,258
Common Stock Subscriptions (note 6)	(50,000)	
Additional Paid in Capital	4,432,193	4,566,329
Accumulated Deficit	(4,744,782)	(4,604,055)
Net Income	(205,597)	
Total Stockholders' Equity	(75,895)	102,507
Total Liabilities and Stockholders' Equity	123,809	182,319

(The accompanying notes are an integral part of these financial statements)

Biostem Technologies, Inc.

Statement of Operations

(unaudited)

	Year Ended December 31, 2014 $	Year Ended December 31, 2013 $
Revenues from Stem Cell Marketing	31,193	15,309
Total Gross Profit	31,193	15,309
Operating Expenses		
Amortization and Depreciation	7,328	29,309
General and Administrative	229,462	211,085
Total Operating Expenses	236,790	240,394
Net Loss Before Other Expense	(205,597)	(225,085)
Other Expense	-	
Impairment of Assets	-	(136,012)
Net Loss From Continuing Operations	-	(361,097)
Net Loss From Discontinued Operations	-	(80,683)
Net Loss for the Year	(205,597)	(441,780)
Net Earnings Per Share - Basic and Diluted	(0.01)	(0.01)
Weighted Average Shares Outstanding - Basic and Diluted	491,316,443	52,680,000

(The accompanying notes are an integral part of these financial statements)

Biostem Technologies, Inc.

Statement of Stockholders' Equity

For years ended December 31, 2014, 2013 and 2012

(unaudited)

	Series A Convertible Preferred Stock		Series A-1 Convertible Preferred Stock		Series B Preferred Stock		Series B-1 Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares #	Par Value $	Shares #	Par Value $	Shares #	Par Value $	#	Par Value $	#	Par Value $	$	$	$
Balance - December 31, 2011	5,333	5	450,000	450	5	1	40,000	40	8,292,502	8,293	4,296,140	(830,000)	3,474,929
Issuance of Shares for Cash			50,000	50			435,000	435	2,474,102	2,474	158,938		161,897
Net Loss for the Year												(3,332,281)	(3,332,281)
Balance - December 31, 2012	5,333	5	500,000	500	5	1	475,000	475	10,766,604	10,767	4,455,078	(4,162,281)	303,564
Issuance of Shares for Cash									24,499,981	24,500	111,251		135,751
Issuance of Shares for Investment									75,000,000	75,000			75,000
Issuance of Shares for Debt									28,991,000	28,991			28,991
Net Loss for the Year												(441,780)	(441,780)
Balance - December 31, 2013	5,333	5	500,000	500	5	1	475,000	475	139,257,585	139,258	4,566,329	(4,604,061)	102,507
Issuance of Shares for Cash													-
Issuance of Shares for Investment												(50,000)	(50,000)
Issuance of Shares for Debt									291,328,570	291,329	(134,136)		157,192
Prior Period Adjustments	494,667	495	(500,000)	(500)	475,000	474	(475,000)	(475)	60,730,288	60,730		(140,722)	
Net Loss for the Year												(205,597)	(205,597)
Balance - December 31, 2014	500,000	500	-	-	475,005	475	-	-	491,316,443	491,316	4,432,193	(5,000,380)	(75,895)

Biostem Technologies, Inc.

Statements of Cash Flows

(unaudited)

	For the year ended December 31, 2014 $	For the year ended December 31, 2013 $
Operating Activities		
Net Loss	(205,597)	(441,780)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities		
Depreciation and amoritzation		29,309
Impairment of assests		136,012
Changes in Operating Assets and Liabilities:		
Due To Related Party	(40,303)	-
Note Receivable	145,000	-
Accounts Payable and Accrued Liabilities	3,095	(1,327)
Net Cash Provided by Operating Activities	(97,805)	(277,786)
Investing Activities		
Purchase of Lab Equipment	(93,000)	
Proceeds From Sale of Casino Operations		100,000
Purchase of Intangible Assets	36,188	(3,923)
Investment in Companies	75,000	(86,012)
Net Cash Provided by Investing Activities	18,188	10,065
Financing Activities		
J3 Loan	12,100	
Accumulated Deficit	(140,721)	
Aditional Paid in Capital	(133,637)	
Common Stock	491,316	
Common Stock Subscriptions	(50,000)	135,751
Series A Convertible Stock	(500)	
Series B Convertible Stock	(475)	
Proceeds from related parties	-	57,553
Repayment to related parties	-	(17,250)
Net Cash Provided by Financing Activities	178,083	176,054
Increase (decrease) in Cash	98,466	(91,667)
Cash - Beginning of Period	23,131	114,798
Cash - End of Period	121,597	23,131
Supplemental Disclosures		
Interest Paid		8,182
Income Tax Paid		

(The accompanying notes are an integral part of these financial statements)

Nature of Operations and Continuance of Business

Biostem Technologies, Inc. (the "Company") was incorporated in the state of Florida in 2009. The Company is in the Biotech Sector, with assets in the regenerative medicine and anti-aging marketing.

Going Concern

These financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. As of December 31, 2014, the Company has a working capital deficit of $140,721, and has an accumulated deficit of $4,744,8782. The continuation of the Company as a going concern is dependent upon the continued financial support from its management, and its ability to identify future investment opportunities and obtain the necessary debt or equity financing, and generating profitable operations from the Company's operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"). Users are cautioned that these financial statements are prepared by management and were not independently audited by a third-party professional accounting firm. The Company's fiscal year end is December 31.

b) Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the determination of the going concern assessment, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

2. Summary of Significant Accounting Policies (continued)

c) Cash and cash equivalents
The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

d) Basic and Diluted Net Loss per Share
The Company computes net loss per share in accordance with ASC 260, *Earnings per Share*. ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive. As of December 31, 2014 and December 31, 2013, the Company did not have any potentially dilutive shares.

e) Property and Equipment
Property and equipment consists of casino equipment, and are stated at cost and amortized on a straight- line basis over three years.

f) Intangible Assets
Intangible asset consist of slot machine licenses, and are measured at cost and amortized over its expected useful life of ten years. Impairment tests are conducted annually or more frequently if events or changes in circumstances indicate that the asset may be impaired. The impairment test compares the carrying amount of the intangible asset with its fair value, and an impairment loss is recognized in income for the excess, if any. The amortization methods and estimated useful lives of intangible assets are reviewed annually.

g) Long-Lived Assets
In accordance with ASC 360, "*Property, Plant and Equipment"*, the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated

useful life. Recoverability is assessed based on the carrying amount of the asset and

2. Summary of Significant Accounting Policies (continued)

its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

h) Financial Instruments

Pursuant to ASC 820, *Fair Value Measurements and Disclosures*, an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts receivable, accounts payable and accrued liabilities, and amounts due to related parties. Pursuant to ASC 820, the fair value of our cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. We believe that the

recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

i) Comprehensive Income

ASC 220, *Comprehensive Income*, establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at June 30, 2014 and December 31, 2013, the Company has no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

j) Impairment of Long-Lived Assets

The Company evaluates the recoverability of long-lived assets and the related estimated remaining lives at each balance sheet date. The Company records an impairment or change in useful life whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed.

k) Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated in accordance with ASC 830 *Foreign Currency Translation Matters,* using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. The Company has not, to the date of these financials statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

l) Recent Accounting Pronouncements

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