Lifeline Biotechnologies, Inc.

Financial Statements as of March 31, 2015 and December 31, 2014

and the Three Months Ended March 31, 2015 and 2014

LIFELINE BIOTECHNOLOGIES, INC.
Balance Sheets
March 31, 2015 and December 31, 2014

ASSETS

	March 31, 2015	December 31, 2014
Current Assets		
Cash	$ 1,512	$ 283
Receivables, other	5,000	-
Inventory and supplies	1,340	1,340
Total Current Assets	7,852	1,623
Property, Plant and Equipment, net	-	-
Other Assets		
Investments	143,133	143,133
Receivables, other	72,005	74,380
Deposits	1,200	1,200
Goodwill and Intangibles	39,886	40,516
Total Other Assets	256,224	259,229
Total Assets	$ 264,076	$ 260,852

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Accounts payable and accrued expenses	$ 31,650	$ 34,683
Advances payable	381,737	423,011
Total Current Liabilities	413,387	457,694
Total Liabilities	413,387	457,694
Commitments and contingencies	-	-
Stockholder's Deficit		
Preferred stock-Authorized 12,500,000 shares		
Preferred stock, Class A Convertible Preferred Stock 5,000,000 shares authorized, $.00001 par value 4,855,708 shares issued and outstanding at March 31, and December 31, 2014	49	49
Preferred stock, Class B Convertible Preferred Stock 5,000,000 shares authorized, $.00001 par value, 1,286,535 shares issued and outstanding at March 31, 2015 and December 31, 2014	13	13
Common stock, 4,950,000,000 shares authorized $.00001 par value, 3,138,880,967 and 3,046,680,967 shares issued and outstanding at March 31, 2015 and December 31, 2014	31,389	30,467
Additional paid-in capital	14,295,400	14,251,354
Treasury stock	-	-
Retained (Deficit)	(14,476,162)	(14,478,725)
Total Stockholder's Deficit	(149,311)	(196,842)
Total Liabilities and Stockholders' Deficit	$ 264,076	$ 260,852

See Accompanying Notes

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See Accompanying Notes

LIFELINE BIOTECHNOLOGIES, INC.
Statements of Operations
For the Three Months Ended March 31, 2015 and 2014

	March 31,	
	2015	2014
Revenues	$ 15,000	$ 7,500
Cost of Goods Sold	-	-
Gross Profit	15,000	7,500
Operating Expenses		
Amortization	630	630
General and administrative	11,807	4,464
	12,437	5,094
Income/(Loss) before income taxes	2,563	2,406
Income taxes	-	-
Net Income/(Loss)	$ 2,563	$ 2,406
Income/(Loss) per share	$ 0.00	$ 0.00
Weighted average shares	3,138,920,967	3,046,680,967

See Accompanying Notes

LIFELINE BIOTECHNOLOGIES, INC.
Statements of Cash Flows
For the Three Months Ended March 31, 2015 and 2014

	March 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	2,563	2,406
Adjustments to reconcile net income/loss to net cash used in operating activities:		
Amortization	630	630
Changes in assets and liabilities:		
(Increase)/decrease in receivables, other	(2,625)	2,000
Increase in accounts payable and accrued expenses	(3,033)	(2,801)
Net cash provided by (used in) operating activities	(2,465)	2,235
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Decrease) in advances payable	(41,274)	(1,600)
Increase in common stock	44,968	-
Net cash provided by financing activities	3,694	(1,600)
Net Increase/(decrease) in cash	1,229	635
CASH AT BEGINNING PERIOD	283	59
CASH AT END OF PERIOD	1,512	694
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

See Accompanying Notes

LIFELINE BIOTECHNOLOGIES, INC.
Statements of Changes in Stockholders' Deficit
For the Three Months Ended March 31, 2015

	Preferred Stock		Common Stock		Additional Paid-In	Retained	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	(Deficit)	Deficit
Balance-January 1, 2015	6,142,243	$ 62	3,046,680,967	$ 30,467	$14,251,354	$(14,478,725)	$ (196,842)
Increase in common stock for cash	-	-	92,200,000	922	44,046	-	44,968
Net income for the three months ended March 31, 2015	-	-	-	-	-	2,563	2,563
Balance-March 31, 2015	6,142,243	$ 62	3,138,880,967	$ 31,389	$14,295,400	$(14,476,162)	$ (149,311)

See Accompanying Notes

LIFELINE BIOTECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and December 31, 2014

NOTE 1 – Organization, History and Business Activity

Lifeline Biotechnologies, Inc. ("Lifeline" or "the Company") is a Nevada corporation. Lifeline is in the business of developing and marketing technology, applications, medical devices and procedural techniques for the screening, diagnosis, treatment and management of disease and medical conditions.

NOTE 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Lifeline is presented to assist in understanding Lifeline's financial statements. The financial statements and notes are representations of Lifeline's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

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 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. Actual results could differ from those estimates.

Concentration of Risk

Lifeline places its cash and temporary cash investments with established financial institutions. Management feels this risk is mitigated due to the longstanding reputation of these banks.

In the normal course of business, the Company extends unsecured credit to the majority of its customers. Management periodically reviews its outstanding accounts receivable and establishes an allowance for doubtful accounts based on historical collection trends and other criteria.

Cash and Cash Equivalents

Lifeline considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments

Effective January 1, 2008, the Company adopted FASB ASC 820, Fair Value Measurements and Disclosures, Pre Codification SFAS No. 157, "Fair Value Measurements", which provides a framework for measuring fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also expands disclosures about instruments measured at fair value and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices for identical assets and liabilities in active markets;
Level 2 — Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company designates cash equivalents (consisting of money market funds) and investments in securities of publicly traded companies as Level 1. The total amount of the Company's investment classified as Level 3 is de minimis.

The fair value of the Company's debt as of March 31, 2015 and December 31, 2014, approximated fair value at those times.

Fair value of financial instruments: The carrying amounts of financial instruments, including cash and cash equivalents, short-term investments, accounts payable, accrued expenses and notes payables approximated fair value as of March 31, 2015 and December 31, 2014 because of the relative short term nature of these instruments. At March 31, 2015 and December 31, 2014, the fair value of the Company's debt approximates carrying value.

Shares for Services and Other Assets

The Company accounts for stock-based compensation based on the fair value of all option grants or stock issuances made to employees or directors on or after its implementation date, as well as a portion of the fair value of each option and stock grant made to employees or directors prior to the implementation date that represents the unvested portion of these share-based awards as of such implementation date, to be recognized as an expense, as codified in ASC 718. The Company calculates stock option-based compensation by estimating the fair value of each option as of its date of grant using the Black-Scholes option pricing model. These amounts are expensed over the respective vesting periods of each award using the straight-line attribution method. Compensation expense is recognized only for those awards that are expected to vest, and as such, amounts have been reduced by estimated forfeitures. The Company has historically issued stock options and vested and no vested stock grants to employees and outside directors whose only condition for vesting has been continued employment or service during the related vesting or restriction period.

Trade Accounts Receivable

Trade accounts receivable is recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. The reserve account at March 31, 2015 and December 31, 2014 was $0.

Inventory

The Company's inventory is valued at the lower of cost (first in, first out) or market using the retail method.

Long-lived Assets

Long-lived assets are stated at cost. Maintenance and repairs are expensed as incurred. Depreciation is determined using the straight-line method over the estimated useful lives of the assets, which is between five to thirty-nine years.

Where an impairment of a property's value is determined to be other than temporary, an allowance for the estimated potential loss is established to record the property at its net realizable value.

When items of building or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations. The Company does not have any long-lived tangible assets, which are considered to be impaired as of March 31, 2015 and December 31, 2014.

Intangibles with Finite Lives

The Company applies the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 360-10, *Property, Plant and Equipment,* where applicable to all long lived assets. FASB ASC 360-10 addresses accounting and reporting for impairment and disposal of long-lived assets. The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with FASB ASC 360-10. FASB ASC 360-10 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

The Company does not amortize any intangible assets with finite lives.

Goodwill and intangible assets are reviewed for potential impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable. Management determined no impairment adjustment related to these intangibles was necessary.

Revenue Recognition

The Company recognizes revenue in accordance with the Securities and Exchange Commission Staff Accounting Bulletin (SAB) number 104, which states that revenues are generally recognized when it is realized and earned. Specifically, the Company recognizes revenue when the product is delivered and accepted by the customer. Revenues are earned from sales of the Company's medical devices and other related services.

Income Taxes

The Company accounts for income taxes under an asset and liability approach. This process involves calculating the temporary and permanent differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The temporary differences result in deferred tax assets and liabilities, which would be recorded on the Company's balance sheets in accordance with ASC 740, which established financial accounting and reporting standards for the effect of income taxes. The Company must assess the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent the Company believes that recovery is not likely, the Company must establish a valuation allowance. Changes in the Company's valuation allowance in a period are recorded through the income tax provision on the consolidated statements of operations.

On January 1, 2007, the Company adopted ASC 740-10 (formerly known as FIN No. 48, Accounting for Uncertainty in Income Taxes). ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under ASC 740-10, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, ASC 740-10 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As a result of the implementation of ASC 740-10, the Company recognized no material adjustment in the liability for unrecognized income tax benefits.

Segments

The Company operates in one business segment, namely the business of developing and marketing technology, applications, medical devices and procedural techniques for the screening, diagnosis, treatment and management of disease and medical conditions.

Loss Per Share

The Company is required to provide basic and dilutive earnings (loss) per common share information.

The basic net loss per common share is computed by dividing the net loss applicable to common stockholders by the weighted average number of common shares outstanding.

Diluted net loss per common share is computed by dividing the net loss applicable to common stockholders, adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities.

For the periods ended March 31, 2015 and December 31, 2014, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share. There were no potentially dilutive securities as of March 31, 2015 and December 31, 2014.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by FASB that are adopted by the Company as of the specified effective date. If not discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company's financial statements upon adoption.

Reclassifications

Certain amounts have been reclassified and represented to conform to the current financial statement presentation.

NOTE 3 – Financial Condition and Going Concern

Lifeline's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Lifeline has incurred net losses through March 31, 2015 in the amount of $14,476,162. This factor raises doubt as to Lifeline's ability to obtain debt and/or equity financing and achieve profitable operations.

Lifeline's management intends to raise additional operating funds through equity and/or debt offerings. However, there can be no assurance management will be successful in its endeavors. Ultimately, Lifeline will need to achieve profitable operations in order to continue as a going concern.

There are no assurances that Lifeline will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placement, public offerings and/or bank financing necessary to support Lifeline's working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, Lifeline will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to the Company. If adequate working capital is not available, Lifeline may be required to curtail its operations.

NOTE 4 – Inventories

Inventories consist of components and finished goods and are stated at the lower of cost or market. Cost is determined using the first-in first-out method.

	March 31, 2015	December 31, 2014
Finish goods	$ 1,340	$ 1,340

NOTE 5 – Property and Equipment

At March 31, 2015 and December 31, 2014, property and equipment consisted of the following:

	Useful Lives	March 31, 2015	December 31, 2014
Equipment	3	$ 58,733	$ 58,733
Furniture and fixtures	7	1,500	1,500
Less:accumulated depreciation		(60,233)	(60,233)
		$ -	$ -

Depreciation expense was $0 for the three months ended March 31, 2015.

NOTE 6 – Intangibles

At March 31, 2015 and December 31, 2014, intangibles consisted of the following:

	March 31, 2015	December 31, 2014
510K and other Product Registrations and Patents	$ 46,815	$ 46,815
Less-Accumulated Amortization	6,929	6,299
	$ 39,886	$ 40,516

Amortization expense was $630 for the three months ended March 31, 2015.

NOTE 7 – Investments

Lifeline Biotechnologies ("Lifeline") created an affiliate company, First Warning Systems, Inc., Nevada Corporation (FWS) in 2008 and licensed FWS with its breast cancer screening and early breast cancer patented technology and related assets. In exchange, Lifeline received a $159,826 promissory note, eight million common shares and a revenue royalty with minimum annual royalties beginning in 2011. The revenue related royalties is based on 5% of the first $50,000,000 in FWS sales, the 3% royalty on revenues in excess of $50,000,000. The license gives FWS the right to continue development of the technology and world-wide marketing of the process and related products. This agreement and basis in the assets acquired for the transfer are carried at the basis the Company had in the assets transferred which was $143,133 at March 31, 2015 and December 31, 2014.

NOTE 8 – Advances Payable

Certain parties have advanced money to the Company on a non-interest bearing, demand basis to provide working capital for the Company. No other terms exist on this debt.

The Company's long-term debt consists of the following:

	March 31, 2015	December 31, 2014
Advances payable	$ 381,737	$ 423,011

NOTE 9 – Income Taxes

Effective January 1, 2007, we adopted the provisions of ASC 740-10 (formerly known as FIN No. 48, Accounting for Uncertainty in Income Taxes). ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements. ASC 740-10 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. The application of income tax law is inherently complex. Laws and regulation in this area are voluminous and are often ambiguous. As such, we are required to make many subjective assumptions and judgments regarding the income tax exposures. Interpretations and guidance surrounding income tax laws and regulations change over time. As such, changes in the subjective assumptions and judgments can materially affect amounts recognized in the balance sheets and statements of income.

At the adoption date of January 1, 2007, we had no unrecognized tax benefit, which would affect the effective tax rate if recognized. There has been no significant change in the unrecognized tax benefit during the three months ended March 31, 2015.

We classify interest and penalties arising from the underpayment of income taxes in the statement of income under general and administrative expenses. As of March 31, 2015, we had no accrued interest or penalties related to uncertain tax positions. The tax years 2014, 2013 and 2012 federal return remains open to examination.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards 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. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The provision (benefit) for income taxes for the three months ended March 31, 2015 and the year ended December 31, 2014 consists of the following:

	2015	2014
Federal:		
Current	$ -	$ -
Deferred	-	-
State:		
Current	-	-
Deferred	-	-
	$ -	$ -

Net deferred tax assets consist of the following components as of March 31, 2015 and December 31, 2014:

	2015	2014
Deferred tax assets:		
Operating Loss	$4,921,895	$4,922,767
Deferred tax liabilities:	-	-
Valuation allowance	(4,921,895)	(4,922,767)
Net deferred tax asset	$ -	$ -

The income tax provision differs from the amount of income tax determined by applying the U.S. federal and state income tax rate of 34% to pretax income from continuing operations for the three months ended March 31, 2015 and the year ended December 31, 2014.

NOTE 10 – Preferred Stock

Preferred Stock

The Company is authorized to issue 12,500,000 shares of preferred stock as described below:

	Total Series Authorized	Stated Value	Voting	Annual Dividends per Share	Conversion Rate
Series A	5,000,000	$.00001	Yes	As per common stock	Equal to the number of votes per share
Series B	5,000,000	$.0001	Yes	As per common stock	Discount to market or $.10 per share

NOTE 11 – Commitments and Contingencies

Lease Commitments

The Company leases office space for a monthly base rent of $1,020.

The term of this lease began on May 1, 2013 and is for sixty months.

The Company subleases this office space for the same amount of the basic rent.

Rent expense totaled $0 for the three months ended March 31, 2015 because of the sub-lease as described above.