Accountant's Review Report

To the Board of Directors

Islet Holdings, Inc.

Salt Lake City, Utah

I have reviewed the accompanying balance sheet of Islet Holdings, Inc. as of December 31, 2014, and the related statements of income, retained earnings, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for our report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has an accumulated deficit and has suffered recurring losses from operations. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to this matter are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Jeff Hanks, CPA

JAH Services, LLC

May 27, 2015

ISLET HOLDINGS, INC.
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

ISLET HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
FOR THE PERIOD ENDED

	DECEMBER 31, 2014	DECEMBER 31, 2013
ASSETS		
CURRENT ASSETS		
CASH	$ -	$ -
OTHER ASSETS		
INTELLECTUAL PROPERTY	276,750	$ 338,250
TOTAL ASSETS	$ 276,750	$ 338,250
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$ 63,587	$ 28,000
ACCRUED INTEREST	51,460	40,519
ACCRUED WAGES	33,072	29,800
NOTES PAYABLE	82,000	82,000
NOTES PAYABLE-RELATED PARTY	18,800	18,800
TOTAL	$ 248,919	$ 199,119
STOCKHOLDERS' EQUITY		
PREFERRED STOCK, $.0001 PAR VALUE; 100,000,000 SHARES AUTHORIZED; NO SHARES ISSUED OR OUTSTANDING	$ -	$ -
COMMON STOCK $.0001 PAR VALUE; 1,000,000,000 AUTHORIZED, 149,999,949 AND 94,808,249 ISSUED AND OUTSTANDING	15,000	9,481
ADDITIONAL PAID IN CAPITAL	12,266,329	12,246,848
ACCUMULATED DEFICIT	(12,253,498)	(12,117,198)
TOTAL STOCKHOLDERS' EQUITY	27,831	139,131
TOTAL	$ 276,750	$ 338,250

SEE FOOTNOTES TO FINANCIAL STATEMENTS

ISLET HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE PERIODS ENDED

	YEAR ENDED DECEMBER 31, 2014	YEAR ENDED DECEMBER 31, 2013
INCOME	$ -	$ -
EXPENSES		
ACCOUNTING	2,900	-
ADVERTISING/PROMOTION	4,000	-
AMORTIZATION	61,500	61,500
CONSULTING	500	-
LEGAL	135,000	30,800
LEGAL FILINGS	180	
MISCELLANEOUS	299	-
OFFICE SUPPLIES	340	-
SALARIES	50,350	29,800
TRAVEL	1,856	-
TELEPHONE	250	-
TOTAL	257,175	122,100
NET (LOSS) FROM OPERATIONS	(257,175)	(122,100)
OTHER INCOME/(EXPENSE)		
INTEREST	(10,941)	(10,747)
PARTIAL SETTLEMENT OF LAWSUIT	140,000	-
SALE OF STOCK FROM LAWSUIT	(8,184)	-
TOTAL OTHER INCOME/(EXPENSES)	120,875	(10,747)
NET LOSS	$ (136,300)	$ (132,847)
BASIC LOSS PER COMMON SHARE	$ (0.0007)	$ (0.0014)
BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	208,173,532	94,808,249

SEE FOOTNOTES TO FINANCIAL STATEMENTS

ISLET HOLDINGS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED

	YEAR ENDED DECEMBER 31, 2014	YEAR ENDED DECEMBER 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET LOSS FOR THE PERIOD	$ (136,300)	$ (132,847)
EXPENSE ITEMS NOT REQUIRING CASH FLOW:		
AMORTIZATION	61,500	61,500
ADJUSTMENTS TO WORKING CAPITAL ITEMS:		
(DECREASE/INCREASE IN FMV OF TRADING SECURITIES	-	
DECREASE/INCREASE IN ACCOUNTS PAYABLE	35,587	28,000
DECREASE/INCREASE IN INTEREST PAYABLE	10,941	10,747
DECREASE/INCREASE IN NOTES PAYABLE (ALL)	-	2,800
DECREASE/INCREASE IN ACCRUED WAGES	3,272	29,800
NET INCREASE/DECREASE IN WORKING CAPITAL ITEMS:	49,800	71,347
NET CASH FLOW FROM OPERATING ACTIVITIES:	$ (25,000)	$ -
CASH FLOWS FROM FINANCING ACTIVITIES:		
STOCK ISSUANCE FOR PAYMENT OF SERVICES	$ 109,000	$ -
SALES OF STOCK AVAILABLE FOR SALE	58,371	-
NET CASH FLOWS FROM FINANCING ACTIVITIES:	$ 167,371	$ -
CASH FLOWS FROM INVESTING ACTIVITIES:		
STOCK PURCHASED	$ (2,371)	
STOCK ACQUIRED FROM PARTIAL SETTLEMENT OF LAWSUIT	(140,000)	$ -
NET CASH FLOWS FROM INVESTMENT ACTIVITIES	$ (142,371)	$ -
NET CHANGE IN CASH AND CASH EQUIVALENTS	$ -	$ -
CASH EQUIVALENTS AT BEGINNING OF PERIOD	$ -	$ -
CASH EQUIVALENTS AT END OF PERIOD	$ -	$ -
CASH PAID FOR:		
TAXES	$ -	$ -
INTEREST	$ -	$ -

SEE FOOTNOTES TO FINANCIAL STATEMENTS

ISLET HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S (DEFICIT)

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID IN CAPITAL	RETAINED DEFICIT	STOCKHOLDERS' EQUITY
BALANCE, JANUARY 1, 2013	94,808,249	$ 9,481	$ 12,246,848	$ (11,984,351)	$ 271,978
NET LOSS FOR THE YEAR	-	-	-	(132,847)	-
ENDING BALANCE, DECEMBER 31, 2013	94,808,249	$ 9,481	$ 12,246,848	$ (12,117,198)	$ 139,131
ISSUANCE OF STOCK FOR SERVICES	250,000,000	$ 25,000	-	-	-
CANCELLATION OF COMMON SHARES	(194,808,300)	$ (19,481)	$ 19,481	-	-
NET LOSS FOR THE YEAR	-	-	-	(136,300)	-
ENDING BALANCE, DECEMBER 31, 2014	149,999,949	$ 15,000	$ 12,266,329	$ (12,253,498)	$ 27,831

SEE FOOTNOTES TO FINANCIAL STATEMENTS

ISLET HOLDINGS, INC.
NOTES TO CONSOLIDATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Description of the Company.

Islet Holdings, Inc. ("the Company") is a Texas corporation originally formed as Tough-Guard, Inc. in 1981 and currently trades on the OTC Pink Sheet Market with the symbol "ISHI". In 1983, the name was changed to U.S. Microkote Industrial, Inc. In 1985, the name was changed to Houston Consolidated Marketing, Incorporated, and then again to Entourage International, Inc. In 1998, the name was changed to Biozhem Cosmeceuticals, Inc. and from approximately 1998 to 2007 conducted business with primary focus as a direct marketer of premium quality bioengineered and botanically-based skin care products for women and men. The Company marketed its proprietary line of advanced skin care products under its brand names BIOZHEM(TM) and the REVITACEL SYSTEM(TM) through a national direct response television (infomercial) campaign, its customer care center telemarketing operation, shopping channels, a web site, and planned print advertising, catalog and direct mail campaigns. The Company also maintained marketing and distribution agreements with manufacturers of specific products or product lines for resale through its marketing channels.

As of September 30, 2001, Biozhem entered into a plan to restructure its operations through the phasing out of its retail presence by closing the Company's owned stores and continued servicing its clientele through the customer care center and website. Thereafter, the Company sold its products primarily through its national infomercial and other direct response television, shopping channels, and through its call center, website, and direct advertising campaigns.

2009 - Acquisition of Microislet Intellectual Property.

In April 2009 the Company's shareholders authorized a name change from Biozhem Cosmeceuticals, Inc. to the current name. Concurrently, shareholders approved, and the Company effectuated, a 500 to 1 reverse stock split. Those changes were completed with the Secretary of State of Texas effective April 2009 and the Company's trading symbol was changed to "ISHI".

Following the shareholder actions of April 2009, the Company formed and acquired Isletech, Inc., a Nevada corporation formed to acquire certain intellectual property in the medical field of treating type 1 diabetes.

On or about November 10, 2008, Microislet, Inc., a Nevada biotech corporation operating in San Diego, filed bankruptcy under the provisions of Chapter 11 in the United States Bankruptcy Court for the Southern District of California (Case No. 08-11388-B7). Subsequently, the Chapter 11 bankruptcy filing was converted into a Chapter 7.

Through its subsidiary, the Company successfully acquired all of the intellectual property of Microislet. The Company's subsidiary was the successful bidder for all of the intellectual

property of Microislet, including patents, and assumed the executory contracts with two biotech product and services providers. At a duly held bankruptcy auction, the Trustee sold the intellectual property of Microislet, which included U.S. Patent Number 6,365,385, patent development documents and related material, laboratory results, electronically stored documents relating to the foregoing, other electronic media, and laboratory samples, including primate tissue and cells in frozen states of storage, and executory contracts with Progentitor Cell Therapy LLC and Fios Therapeutics Inc., a company owned and controlled by the Mayo Foundation (collectively "Intellectual Property").

Thereafter, the Company modified its prior focus on cosmeceuticals and continued its operations, but as a biotech company engaged in the research, development, and commercialization of patented technologies in the field of transplantation therapy for people with conditions of insulin-dependent diabetes, who could benefit from cell-based replacement treatments. The acquired technology constitutes methods for isolating, culturing, cryopreservation, and immuno-protection (microencapsulation) of islet cells.

The Company reported these developments in a press release June 19, 2009. The Company continues in its efforts to protect its intellectual property for further development and commercial implementation in the field of diabetes treatment (See Legal Matters).

The Company's Intangible Assets - Intellectual Property.

Pre – 2014

Patents, trademarks, and trade secrets are central to the valuation, commercialization, and profitability of pharmaceutical products and our policy is to pursue intellectual property protection aggressively for all our products. The Company is the successor in interests to patents and related technology developed by Microislet, Inc. in conjunction with Duke University. Duke developed patents relate to methods of culturing, cryopreserving, and encapsulating pancreatic islet cells. Duke then licensed Microislet to develop its own technologies. Microislet developed and owned Patent Number 6,365,385, which was subsequently acquired by the Company.

The Company believes that MicroIslet-PTM, a xenotransplantation (transplantation between different species) product, has significantly more commercial potential than human-to-human (allotransplantation) islet replacement approaches, due to the high cost and inherently limited supply of human islets. The Company's product candidates are intended for the treatment of insulin-dependent diabetes and are intended to be administered into the patient's abdominal cavity, where the transplanted islet cells will produce insulin in response to increases in blood glucose, much like the patient's original pancreatic islet cells did prior to being destroyed by disease. The primary function of microencapsulation is to protect the islets from the host's immune system. The microcapsule coating is composed of layers of biocompatible materials.

The development and commercialization of our products will be subject to extensive regulation in the United States by a number of regulatory authorities, including the United States Food and

Drug Administration, and by comparable regulatory authorities in foreign countries. FDA approval of our products is required. The Company conducted a pre-IND submission meeting with the FDA in order to discuss manufacturing, preclinical, and clinical plans for the xenotransplantation product. Our initially planned products will be classified as combination biological and device products by the FDA. The islets comprise the biological component and the microencapsulation material comprises the device component. The FDA Center for Biologics (CBER) has jurisdiction, meaning the MicroIslet-P(TM) product will be reviewed primarily as a biological product. Biological products are subject to dual regulation. Their approval for marketing, among other things, is regulated under the Public Health Service Act through a biologics license application, or BLA.

Development of a therapeutic product for human use under applicable laws and regulations is a multi-step process. Before human clinical trials may begin for new drugs and biologics, an IND application containing, among other things, preclinical data, chemistry, manufacturing and control information, an investigational plan, and clinical trial protocol must be submitted to the FDA and approved.

The pre-IND process involved submission by us of a compendium of information to the FDA concerning our technology, our methods, and our preliminary studies. We have posed a number of questions to the agency regarding the adequacy of our work to date to satisfy the requirements for an IND filing and they provided guidance to us and proposed additional work that would fulfill their requirements. The preclinical work required for IND submission was almost complete in 2009 as the national economy continue its historic decline and impacted that national financial markets. The Company had an initial target IND submission date of December 2009 and expected to initiate its human xenotransplantation trial in the first quarter of 2010. Due to the national economy and wrongful activities of persons formerly associated with the Company, those target dates were missed.

Microislet expended over $50 million in developing its "Microislet-PTM" product which is an injectable suspension of microencapsulated porcine insulin-producing, pancreatic islet cells. The Company accounts for intangible assets in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets." In accordance with SFAS No. 142, goodwill and other intangible assets that have indefinite useful lives are not amortized; however, management has considered the competitive nature of such technology to be of limited duration and has elected to amortize the costs of such technology over ten years on a straight line basis. For the last four years, the Company has not made any provision for annual review of impairment and estimates that the straight line amortization is a good estimate of fair value of the intellectual property. Annual amortization of the asset is $61,500. A summary of the costs and amortization of the intellectual property is as follows:

	2014	2013
Intellectual Property (Original Cost)	$615,000	$615,000
Amortization to End of Year	(338,250)	(276,790)
Net Carrying Value	$276,750	$338,250

2014 Developments

The Company has actively commenced research into the newly emerging market of medical benefits from cannabis. Primarily, the Company is developing intellectual property relating to hemp farming and extraction of cannabidiol (CBD) from hemp. CBD is a cannabinoid with recognized health and medical applications. Based upon the success of the Company's research and development, the Company plans to substantially increase its research and development in this area.

Litigation to Preserve Intellectual Property.

Following disagreements in later 2009 and 2010 with certain parties related to the Company's work and development in the type 1 diabetes treatment industry, the Company was forced to file suit to protect the patents and other intellectual property it acquired from Microislet, Inc. in 2009.

In August 2012, the Company and its subsidiary filed suit in Federal District Court for the District of Utah. Despite intermittent settlement discussions, the matter remains unresolved and the Company continues to devote its resources and efforts to protect its patents and other intellectual property.

A person affiliated with the defendants, but not named, subsequently agreed to settle any matters with the Company. Consequently, the Company accepted 200,000 shares of Islet Sciences, Inc. Common stock in full settlement with that person. During 2014, the Company assigned $109,000 worth of stock as settlement for legal fees and officer salaries. The remaining stock was sold for cash and realized a loss of $(8,184) on the sales. This settlement does not affect the ongoing litigation with the other defendants in the case. All accounts payable of the Company are legal fees accumulated on this litigation.

Notes Payable/Conversion to Common Stock

Throughout the years 2007 to 2014, the Company arranged several working capital loans from various officers and shareholders who were interested in assisting the Company. Consequently, funds were obtained to operate and pay necessary overhead expenses to keep the Company current as an entity and to cover legal expenses to protect its intellectual property assets. The amounts and terms of the loans are as follows:

Date	Amount	Interest Rate	Due Date	Ultimate Disposition
Before 2005	$35,000	7.5%	On Demand	Still Outstanding
September 2007	2,500	18%	On Demand	Still Outstanding
September 2007	2,500	18%	On Demand	Still Outstanding
January 2008	2,000	18%	On Demand	Still Outstanding

July 2008	5,250	18%	On Demand	Converted to Common in 2010
December 2011	40,000	12%	On Demand	Still Outstanding $10,000 Converted in 2012 ($30,000remains outstanding)
December 2012	16,000	12%	On Demand	Still Outstanding
December 2012	10,000	12%	On Demand	Still Outstanding
July 2013	2,800	12%	On Demand	Still Outstanding

The notes executed in July 2008, December 2012, and July 2013, were with an affiliate of the Company's then president and is presented as related party transactions.

All of these notes are convertible into common stock of the Company at a fair value at the time of the conversion. $10,000 of the December 2011 note was converted to 10,000,000 common shares on December 30, 2012. There is no time limit on the conversion. Accrued interest on all notes total $51,460 and $40,519 at December 31, 2014 and December 31, 2013, respectively. A summary of notes payable per year is as follows:

Date	Amount	Interest Rate	Due Date
Before 2005	$35,000	7.5%	On Demand
September 2007	2,500	18%	On Demand
September 2007	2,500	18%	On Demand
January 2008	2,000	18%	On Demand
December 2011	30,000	12%	On Demand
December 2012	10,000	12%	On Demand
Total Notes Payable	$82,000		

A summary of notes payable – related party is as follows:

December 2012	$16,000	12%	On Demand
July 2013	2,800	12%	On Demand
Total Notes Payable	$18,800		

Related Party

Accrued Wages

The past president of the Company has accrued salaries over the years since 2007 in various amounts starting at $1,000 and increasing to the current compensation of $2,483 per month. That president has resigned and a new president is accruing salary at $1,000 per month. For six months in 2009, the Company had another individual serving part time as Treasurer, and a $500 salary was accrued at that time.

The Company has never had sufficient cash to pay any of the salaries, so over time, most of the compensation due has been converted to common stock for services rendered. In 2012, $64,500 in accrued compensation (president and treasurer) was converted to 50,500,000 shares of stock. There was an additional 19,400,000 shares issued for legal services rendered which were valued at $19,400. The accrued salaries and accounts payable represent legal and officer salaries for 2013 and 2014. The Company is currently accruing $3,000 per quarter in compensation for the new president and pays down the accrual from time to time when cash is available. For the past president, an additional bonus was paid 250,000,000 shares of common stock valued at $25,000 (par value $.0001) as a bonus for the past services while ongoing litigation was pending and salary remained unpaid for the first four years of his tenure. Of those shares, approximately 194 million shares were cancelled effective November 15, 2014. Accrued wages at December 31, 2014 was $33,072.

Earnings Per Share

Basic earnings (loss) per share ("EPS") is computed as net income (loss) divided by the weighted average common shares outstanding during the period.

Uses of Estimates

In the normal course of preparing financial statements in conformity with accounting principles generally accepted in the United States, management is required 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. Estimates made by management include the compensation of services through stock issues when the value of the stock is nonexistent. Actual results could differ from those estimates.

Going Concern

The Company's financial statements for the years ended December 31, 2014 and December 31,

2013 have been presented on the basis that it will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company reported net losses of $132,847 and $136,300 for the years 2013 and 2014, respectively. All of the expenses of the Company were either accrued or paid through stock sales or stock issuances for the past two years. The Company's continued existence is dependent upon its ability to attract new capital while it engages in litigation to preserve its intellectual property. There can be no assurances that the Company will succeed in these efforts.

Capital Stock

The Company made a change to the authorized and par value of the stock in 2014. The Company is now authorized for 1,000,000,000 common shares and 100,000,000 preferred shares, both with a par value of $.0001. The change was affected by a written consent vote of a majority of shares. The change in the par value has been made to the financial statements as presented.