Easton Pharmaceuticals, Inc.

FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2015 and 2014

(Unaudited)

Prepared by Management

Easton Pharmaceuticals, Inc.
(a Development Stage Company)
Quarter Ending June 30, 2015
Prepared by management without audit

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

The exact name of the Issuer is **Easton Pharmaceuticals Inc.** (formerly L.A.M. Pharmaceuticals)

Name Change History:

July 1998, Incorporated as LAM Pharmaceuticals Inc..

Name changed to LAM Industries and amended its articles of incorporation on March 04, 2009

Name changed to Easton Pharmaceuticals Inc. on January 15, 2010

2) Address of the issuer's principal executive offices

Company Headquarters Address:

Suite 200
265 Rimrock Rd.
North York, Ontario, Canada
M3J3C6
Office Tel: +1 (416) 619-0291
Office Tel: +1 (347) 284-0192
Website: http://www.eastonpharmaceuticalsinc.com

IR Contact
Address 1: None
Address 2: None
Address 3: None
Phone: None
Email: None
Website(s): None

3) Security Information

Trading Symbol: EAPH
Exact title and class of securities outstanding: Common
CUSIP: 92763N202
Par or stated value: $0.0001

Total shares authorized:	1,000,000,00	as of:	June 30, 2015
Total common shares issued:	867,597,348	as of:	June 30, 2015
Total Free Trading Shares:	564,871,777	as of:	June 30, 2015
Total Restricted Shares:	302,725,571	as of:	June 30, 2015

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Transfer Agent
Name: Corporate Stock Transfer
Address 1: 3200 Cherry Creek South Dr.
Address 2: Suite 430
Address 3: Denver, CO
Phone: 1(303) 282-4800
✓ Is the Transfer Agent registered under the Exchange Act?* Yes: X No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

On July 30, 2009 the Company issued 36,000,000 shares of common stock to acquire the assets of Viorra Bio Medical, Inc. (closed on June 25, 2009).

On August 21, 2009 the Company issued 8,000,000 shares of common stock for the assets of Ixora Bio Medical valued by management at $546,145, the book value of Ixora.

On September 4, 2009 the Company issued 14,258,200 shares of the Company's common stock pursuant to the conversion of a Promissory note issued on June 11, 2006.

On November 2, 2009 the Company issued 14,258,210 shares of the Company's common stock pursuant to the conversion of a Promissory note issued on June 11, 2006.

On December 9, 2009 the Company issued 14,258,166 shares of the Company's common stock pursuant to the conversion of a Promissory note issued on June 11, 2006.

On August 15, 2011 the Company issued 1,000,000 restricted rule 144 shares of the Company's common stock to Direct Global Media for services rendered to the Company and fairly valued by both parties at $25,000.

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On November 15, 2012 the Company issued 20,000,000 rule 144 restricted shares to Viorra Bio Medical for technology and services rendered to the company fairly valued at $0.005 per share

On November 15, 2012 the company issued 10,000,000 rule 144 restricted shares to a Mr. John Guerra and company for technology and services provided at a price fairly valued at $0.005

On November 15, 2012 the company issued 10,000,000 rule 144 restricted shares of common stock to a Dr. Daniel Bagi for services to the company at a price fairly valued at $0.005 per share.

During July and August of 2013 the Company issued 84,200,000 shares of common stock for cash of $169,995 as per regulation D 504 offerings.

During October, November and December of 2013 the Company issued 231,900,000 shares of common stock for cash of $345,239 as per regulation D 504 offerings.

During January of 2014 the Company issued 140,287,003 shares of common stock for cash of $440,000 as per regulation D 504 offerings.

On April 15, 2014 the Company issued 26,283,003 shares of common stock for cash of $257,000 as per regulation D 504 offerings.

On May 6, 2014 the Company issued 20,000,000 rule 144 shares of common stock in settlement of aged debts totaling $135,000.

During the three months ended June 30, 2014 the Company issued 35,000,000 rule 144 shares of common stock in settlement of $248,400 of aged debt.

On June 4, 2014 the Company issued 20,000,000 rule 144 restricted shares of common stock to Carla Pepe (director) as per employment agreement dated November 2013.

On June 4, 2014 the Company issued 20,000,000 rule 144 restricted shares of common stock to John Adams (director) as per employment agreement dated June 2013.

On June 11, 2014 the Company issued 15,000,000 rule 144 shares of common stock in settlement of aged debts totaling $113,400.

On July 8, 2014 the Company issued 5,300,000 rule 144 shares of common stock in settlement of aged debts totaling $34,800.

In October of 2014 the Company issued 31,428,571 rule 144 shares of common stock in settlement of aged debts totaling $110,000.

On January 25, 2015 the Company issued 5,000,000 restricted shares to Nutrashop Global towards a distribution agreement.

On March 3, 2015 the Company issued 200,000,000 restricted shares to Medicated Markets Inc. to be held in escrow as per agreement dated July 1, 2014 and January 16, 2015.

On April 2, 2015 the Company issued 1,000,000 restricted common shares as per agreement dated April 2014.

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On April 2, 2015 the Company issued 50,000,000 restricted common shares to BMV Medica S.A de C.as per agreement to acquire rights to female diagnostic products from Common Sense of Israel.

All other Issuances Prior to this are recorded on previous financial statements and filings

B. The number of shares offered;

N/A

C. The number of shares sold;

N/A

D. The price at which the shares were offered, and the amount actually paid to the issuer;

N/A

E. The trading status of the shares; and

N/A

F. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

N/A

1. NATURE OF OPERATIONS

EASTON PHARMACEUTICALS, Inc. (the "Company") was initially formed as L.A.M. Pharmaceutical, Corp. (the "LLC") on July 24, 1998. From February 1, 1994 to July 24, 1998 the Company conducted its activities under the name RDN. In September 1998, the members of LLC, a Florida limited liability company, exchanged all of their interests in LLC for 6,000,000 shares of LAM Industries Inc's common stock. The stock exchange between the Company and the members of LLC is considered a recapitalization or reverse acquisition. Under reverse acquisition accounting, LLC was considered the acquirer for accounting and financial reporting purposes, and acquired the assets and assumed the liabilities of the Company. In 2009 the Company reorganized in the state of Delaware and changed its name to LAM Industries, Inc. On March 17, 2010 the Company and its shareholders again approved and implemented a name change from LAM Industries Inc to Easton Pharmaceuticals, Inc and subsequently registered with FINRA for a new stock symbol. The Company's stock symbol was changed from LAIC to EAPH. In August of 2012, the company approved and changed corporate domicile from the State of Delaware to the State of Wyoming.

EASTON PHARMACEUTICALS, Inc. is the owner and developer of a proprietary transdermal delivery technology that has been incorporated in a line of therapeutic OTC products (Viorra Delivery Matrix or "VDM") that management believes will be commercialized to transport various medicinal ingredients in vivo. The combination of the delivery technology and active ingredients together is intended to be developed and commercialized for marketing and sale on a global basis. Active ingredients include, or will include a combination of generally recognized as safe ("GRAS") additives, approved cosmetic ingredients or approved drugs (the combination of the VDM trans dermal delivery matrix and any drugs are not currently approved or cleared in any jurisdiction). The Company's products are currently in various stages of commercialization: basic research; proof of concept research; development; and, commercialization. Product commercialization is currently focused on the Company's product, "Viorra", an aid to the relief of female sexual arousal

disorder (FSAD). Since 2009 the Company has not recognized material sales of Viorra or other VDM-based products to date.

In mid 2008 EASTON PHARMACEUTICALS abandoned and suspended any further research and development or commercialization efforts for products based on the L.A.M. Pharmaceutical's L.A.M. IPM ™ technology. This asset was the basis of L.A.M. Pharmaceutical's IPM Wound Gel and delivery system, and other various L.A.M. Pharmaceutical's products. This technology involved the use of the L.A.M. Pharmaceutical's Ionic Polymer Matrix ™ technology (L.A.M. IPM ™) for the purpose of delivering, enhancing and sustaining the action of certain established therapeutic agents. EASTON PHARMACEUTICALS subsequently replaced the original delivery system in favor of the acquired Viorra proprietary delivery technology Viorra Delivery Matrix "VDM". In 2008 the prior EASTON PHARMACEUTICALS Board of Directors reviewed strategic alternatives regarding the L.A.M. IPM ™ and its patented IPM Wound Gel assets including but not limited to sale, licensing, abandonment or future product development. In late 2008 and early 2009, EASTON PHARMACEUTICALS agreed to divest L.A.M. IPM ™ and its patented IPM Wound Gel assets, and shortly thereafter acquired the remaining assets and know how of Ixora Bio Medical Company Inc. ("IXORA") and Viorra Bio Medical Inc. ("VBMI") together with the VDM technologies and other assets. The Company believes the VDM delivery system can provide superior efficacy for the Company's current focus on topical FSAD, and other products.

Prior to the acquisition of VBMI and IXORA the Company's corporate objectives were to develop, market and license wound healing and the trans dermal delivery of drugs, therapeutic preparations and cosmetics for the the-prescription, over-the-counter and cosmetic markets, utiliuzing L.A.M. Pharmaceutical Ionic Polymer Matrix ™ technology ("L.A.M. IPM™"). It was the Company's intention to seek out corporate alliances and co-marketing partnerships where other drugs and topical products could be enhanced by the L.A.M. IPM ™ technology.

Easton Pharmaceuticals intention was to acquire complementary products, technologies or companies by identifying and evaluating potential products and technologies developed by third parties that it believed would fit within the overall objective. Since incorporation in 1999 the Company raised approximately $18 million for research and development to commercialize its main pipeline of products, specifically the L.A.M. IPM Wound Gel ™.

Past and Present Product Development

In December 1997, EASTON PHARMACEUTICALS granted an exclusive worldwide license to IXORA with rights granted for the marketing, sale and distribution of certain trans dermal treatments for male and female sexual dysfunction. EASTON PHARMACEUTICALS received licensing, milestone, and other fees and payments of approximately $1,050,000 plus 2,025,000 common shares of IXORA; the consideration paid in shares of IXORA represented at that time 45% of the then outstanding share capital of IXORA.

Under terms of the then IXORA license agreement Easton Pharmaceuticals obligations were to protect and bear the cost of defending the corresponding patent rights and IXORA's obligations related to reimbursing LAM, or to directly pay for: identified and qualifying costs of research and development including clinical studies determined necessary to complete regulatory filings in the US and other jurisdictions and various regulatory agencies that regulate the marketing and sale of the products; and, cost related to patent procurement and maintenance costs of the underlying intellectual property. The agreement has a term of 99 years and the following termination provisions:

- Ixora fails to pay any money due under the contract, but only in the event that the amount due remains outstanding 60 days after receipt of written notice from us that the amount is due, or
- Either party becomes bankrupt or insolvent, or
- Either party fails to observe, perform or keep any of the material covenants, provisions, stipulations, representations and conditions contained in the contract and that the breach has not been cured within 60 days after receipt by the defaulting party of notice of such breach

Under the then terms of the licensing agreement IXORA is responsible for the manufacturing of the product, to ensure that the IPM matrix is manufactured in accordance with the Good Manufacturing Practices (GMP) and that the product is safe and performs to its specifications. Under the terms of the agreement EASTON PHARMACEUTICALS will receive the following royalties on sales under the agreement from IXORA:

- 9% of all net sales of licensed products approved by the FDA and for which the patent rights have not expired.

- 6.5% of all net sales of all licensed products which did not require FDA approval and for which the patent rights have not expired.

- 4.5% of all net sales of all licensed products for which the patent rights have expired or have been shown to be invalid.

At the time of the acquisition of the IXORA assets by EASTON PHARMACEUTICALS and thereafter, EASTON PHARMACEUTICALS and IXORA confirm that the exclusive worldwide license granted IXORA remain valid, in full force and effect. On April 15, 2002, EASTON PHARMACEUTICALS obtained clearance from the United States Food and Drug Administration ("FDA") of its Section 510(k) pre-market notification of intent (number K020325) to market its proprietary L.A.M. IPM Wound Gel ™. Limited commercial sales of this product began in August 2002. The customer base was primarily derived from wound care professionals and centers, doctors, nurses, hospitals and individual sales through the Internet.

EASTON PHARMACEUTICALS subsequently hired consultants directly involved in the initial development of the L.A.M. IPM Wound Gel TM and who were directly responsible for obtaining its 510K approval by the FDA to complete the reformulation efforts. In 2006 the Company's then President Joseph Slechta passed away. This was deemed a material setback to the Company resulting in the loss of valuable relationships brought forward by Mr. Slechta. In the fall of 2008, the board of directors of EASTON PHARMACEUTICALS made the decision to divest itself of its L.A.M. IPM Wound Gel and transdermal delivery system.

On November 12, 2003 EASTON PHARMACEUTICALS entered into an exclusive distribution agreement with Verus S.A. de C.V. ("Verus") to distribute our L.A.M. IPM Wound Gel ™ in several South American, Central American and Caribbean countries. Under the terms of the agreement the financial and other obligations of the parties were to commence when Verus receives marketing authorization from regulatory authorities in at least one of the countries and was to continue for at least one year from such date. The agreement term was extended, without a specified term on a non-exclusive basis upon the expiration of the initial term and was agreed to continue to be extended unless terminated by the delivery of notice, one party to the other with thirty days written notice. EASTON PHARMACEUTICALS had the right to terminate the agreement with Verus at any time. To date, EASTON PHARMACEUTICALS has not received any payments under this agreement. Consequently the Company made the decision to terminate the agreement and relationship with Verus.

On March 24, 2004, EASTON PHARMACEUTICALS received approval from the Chinese State Food and Drug Administration for the importation and sale of the L.A.M. IPM Wound Gel ™ in the Peoples Republic of China. In 2004 EASTON PHARMACEUTICALS signed a three year distribution agreement with China National Pharmaceutical Foreign Trade Corporation ("Sinopharm"). The agreement granted Sinopharm the exclusive distribution rights to market and sell L.A.M. IPM Wound Gel ™ in China. Under the terms of this agreement the rights granted could be terminated by either party immediately upon giving written notice if certain performance criteria or financial obligations were not met. EASTON PHARMACEUTICALS did not receive any payments from Sinopharm. Under terms of the agreement EASTON PHARMACEUTICALS was to receive payments when sales were made to Sinopharm. To date there have not been any sales generated from this agreement and no payment from Sinopharm have been made to LAM. Consequently EASTON PHARMACEUTICALS determined to terminate its relationship with Sinopharm.

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On January 5, 2005, EASTON PHARMACEUTICALS entered into a provisional agreement with Finest Enterprises Limited and China Elegant Development Limited to acquire New World Kellerton, a pharmaceutical company based in Xinyang, China. The provisional agreement is non-binding and remains in effect until the execution of a definitive agreement. As of this date a definitive agreement has not been completed.

EASTON PHARMACEUTICALS marketing plans related to licensed products, distribution agreements and products currently commercialized or in its pipeline are in the process of being revised and developed. EASTON PHARMACEUTICALS has received minimal orders for our product to date from the above distributors and will only receive payments to the extent that sales are made to the distributors.

It was the Company's intent to sell its wound care products to various hospitals, wound healing centers, physicians, nurses and other individuals through the Internet.

In late 2004 EASTON PHARMACEUTICALS applied to have its L.A.M. IPM Wound Gel approved for Medicare reimbursement. In 2005 the application as a drug was rejected by the FDA and was subsequently refused for Medicare reimbursement. As a result, patients could not claim to have the costs of the wound gel reimbursed, the cost of the product would be paid directly by the patient without any subsidy by Medicare, or other plans. This was considered a material setback to the Company’s commercialization efforts as most of its products were considered expensive and unlikely to be paid for directly by patients. The Company subsequently made the decision to attempt to reformulate and alter the product to satisfy certain deficiencies illuminated by the Medicare and FDA review, and to wait the required 5 year period in order to be eligible to reapply for full Medicare reimbursement.

EASTON PHARMACEUTICALS was subsequently dependent on its sole remaining partnerships and hired consultants to take over the work from its founders and principles. The decision was subsequently made to acquire the VDM technology and other remaining assets of IXORA and of the VBMI.

There have been no revenues related to the L.A.M. IPM™ based products to date. In the third quarter of 2008 LAM’s then board of directors decided to divest the L.A.M. IPM™ based assets and all products encompassing the L.A.M. IPM™ delivery system. Concurrently with the divesting of the L.A.M. IPM-based assets EASTON PHARMACEUTICALS acquired all of the remaining assets and knowhow of IXORA and VBMI, including the proprietary VDM delivery system and line of products and products in development (the “VDM and Ixora Products”). Completion of the acquisition of IXORA, VBMI and VDM Products was dependent upon the restructuring of LAM”s capital structure, including debt (promissory notes) and common stock, among other conditions.

The acquisition of the assets and knowhow of VBMI and IXORA, including the VDM Products closed on 25th June, 2009 and 10th August, 2009 respectively, following completion of the conditions precedent to closing. The VDM Products are in various stages of development and commercialization, and we have not yet attempted to obtain clearance to market and sell products in the United States for any of the VDM Products nor attempted to market products that may not require approval. As a result, **to date EASTON PHARMACEUTICALS has not generated material revenues from the sale of products and expects to incur losses until sufficient revenues are earned from the sale of first product to operate on a net profit basis.** Management believes that the first product that will be available for sale will be “Viorra”, to be marketed as a cosmetic gel to aid in the alleviation of Female Sexual Arousal Disorder “FSAD”. EASTON PHARMACEUTICALS will conduct research, development and commercialization on a pipeline of products derived from the VDM technology.

On June 25, 2009, EASTON PHARMACEUTICALS purchased 100% of the Assets from Viorra Bio Medical Inc., a private Canadian Company, for a total of thirty six million (36,000,000) shares of EASTON PHARMACEUTICALS restricted common stock (the "Purchase Price" or the "Shares"). The shares were issued to non-U.S. persons and entities. These shares were issued pursuant to an exemption from registration requirements under Section 4(2) and exemptions provided under Regulation S ("Reg. S") of the Securities Act of 1933

On August 10, 2009 EASTON PHARMACEUTICALS purchased the remaining assets and know-how from Ixora Bio Medical Company Inc. and private shareholders for consideration of eight million (8,000,000) shares of EASTON PHARMACEUTICALS restricted common stock (the "Purchase Price" or the "Shares"). These shares were issued pursuant to an exemption from registration requirements under Section 4(2) and exemptions provided under Regulation S ("Reg. S") of the Securities Act of 1933. This acquisition resulted in EASTON PHARMACEUTICALS owning 100% of the assets of Ixora Inc. Immediately prior to the acquisition of the IXORA assets, EASTON PHARMACEUTICALS owned approximately 12% of the common stock of Ixora.

On September 4, 2009, a total of 14,258,220 (fourteen million two hundred and fifty eight thousand two hundred and twenty) common shares were issued pursuant to the conversion of convertible promissory notes dated June 11, 2006.

On September 12, 2013 EASTON PHARMACEUTICALS, Inc. closed on an agreement with a private Canadian company and individual to acquire a 50% ownership interest in an FSAD drug for the issuance of 10,000,000 restricted shares previously issued in escrow. This drug is a water soluble, non-irritating, gel that is applied directly to the external female genitalia and uses a transdermal delivery system to deliver Alprostadil (0.08%), also known as prostaglandin E1, into the tissue, primarily a mucous membrane. Alprostadil is a well known vasodilator that has been shown to induce vulvar and clitoral engorgement, increase vulvar erythema and edema, which indicates increased blood flow to the genital area. In preliminary studies, the FSAD Drug gel has been shown to positively affect both the subjective and objective parameters of sexual arousal and pleasure in a dose dependent manner. Over the long term, this FSAD Drug offers the potential to naturally improve the previously reduced blood flow to the genital area and restore the ability of the tissue to become engorged with blood and increase lubricating secretions during sexual stimulation, leading to increased arousal and pleasure.
Alprostadil, an off-patent therapeutic compound, which, when combined with the Glycotrans delivery system becomes subject to patent protection by virtue of its association with this proprietary delivery system. Any further research and development of this drug will require the consent and a mutual working relationship with the other 50% owner, a private Canadian Pharmaceutical Company.

Mexico & Latin America

In March of 2015, Easton Pharmaceuticals Inc. and BMV Medica S.A. de C.V. entered into a profit sharing agreement related to the future sales of certain exclusive and patented Women's Health products and sales of certain Canadian-manufactured generic cancer drugs, in return for an investment by Easton into BMV. This investment into BMV is based upon a 50/50 net profit split on the revenues received from the Women's Health and generic cancer drug line.

Patented Excusive Women's Health Products from CommonSense LTD:

Vaginal Discharge Diagnostic Test and Amniotic Fluid Leak Test

- Easton/BMV has recently secured exclusive rights for Mexico and all of Latin America (except Brazil) for a line of patented vaginal health diagnostic medical devices (VS-Sense) from an Israeli/US diagnostics company,-CommonSense LTD, of Cesarea, Israel. This diagnostic test is currently being sold Canada-wide (Shoppers Drug Marts), and across the US (at Walgreens and CVS pharmacies). Bayer AG, a global pharmaceutical giant has secured the exclusive rights to VS-Sense for the European Union and is launching in the United Kingdom in August, 2015, with a massive television and promotional campaign. Given the sizeable investment and faith that Bayer has in this product, Easton/BMV believe that that VS-Sense presents an extremely lucrative opportunity in the Latin American market;
- In addition to the diagnostic test for vaginal health, Easton/BMV are in final negotiations with a Swiss Company introduced by CommonSense to Easton/BMV to secure the rights to a natural Lactic Acid treatment for when the diagnostic test indicates the vaginitis is caused by bacteria (roughly two-thirds of cases). This natural lactic acid gel

vaginal cream causes the vaginal pH to change enough to kill the offending bacterial organisms. The remaining one third of cases diagnosed are yeast based and Easton/BMV will launch under their own brand the current treatment (clotrimazol cream) for these infections. In this way, Easton/BMV will have the triangle model: diagnostic component as well as offering treatments for all causes of the vaginitis: one diagnostic test, followed by two treatment options depending on what the diagnostic test results show after initial use;

- As mentioned above, BMV is negotiating the rights for a natural treatment for bacterial vaginosis and is already approved in Europe and Mexico, which will afford gynecologist's the opportunity to sell, in office, both the diagnostic and treatment in Latin America. This represents a potentially large revenue-producing option for both the gynecologists and Easton/BMV.
- In addition to the diagnostic test for vaginal health, BMV has also secured the rights for all of Latin America (except Brazil) for a second point-of-care diagnostic device; unique in the time, cost, and ease-of-use for late-pregnancy women who experience wetness in their undergarments and are not sure if it is urine or amniotic fluid, quite a common occurrence, and one of the major causes of OB/GYN visits by women in late-stage pregnancy. This diagnostic device called AL-Sense provides a differential diagnosis between urine and amniotic fluid. BMV has a tremendous opportunity with this amniotic fluid leak diagnostic test in that there is an unmet need with no competition. Furthermore this Amniotic Fluid Leak test is part of the NHS's late-pregnancy protocol for all women.

- This Amniotic fluid test is intended for pregnant women, mainly in late-stage pregnancy to enable them to detect the difference between an amniotic fluid leak which would necessitate a doctor's visit (as labour has started) and a simple urine leak. The test may also be used by High Risk pregnant women to monitor for Amniotic Fluid leaks beginning at earlier stages of pregnancy. This test is a state-of the art diagnostic test which is in the form of a panty liner, and undergoes a simple color change if the wetness experienced by the pregnant woman caused by an amniotic fluid leak. The relatively low cost and ease of use is expected to quickly become the test of choice for both women at home and in hospital use.

- This test has been endorsed by NHS (National Health Service) in Britain as part of the NICE report (National Institute for Health and Care Excellence) which indicates that the device can reliably exclude amniotic fluid leak as a cause of vaginal wetness in pregnancy, avoiding the need for a speculum examination and its associated discomforts. Using the device in the community could prevent unnecessary referrals to secondary care antenatal day units or maternity triage services for speculum examinations, releasing clinical time. Based on cost modelling, using the test offers significant cost savings

- Other countries where the AL-Sense test is being sold include UK, Italy, Japan, China, Israel, Australia and other countries. The product is currently being registered in the USA and Canada

- Easton/BMV believe with a Marketing budget of $500,000 sales of the suite of exclusive Women's Diagnostic and Treatment products could reach US$8-12 MM annually within three years.

Generic Cancer Drugs

- Easton/BMV has secured exclusive rights for a line of Canadian-manufactured generic cancer drugs from Biolyse Corporation of St. Catharines, ON, Canada, beginning with four of the most commonly used chemotherapy agents namely paclitaxel, methotrexate, 5-fluorouracil and docetaxel. Biolyse is adding to these a further 33 injectable cancer and antibiotic drugs within the coming years, all of which will available to Easton/BMV exclusively for the region;

Generic Cancer Drugs: The cancer drugs: Biolyse Pharma Corporation the manufacturer of these drugs initially entered into an exclusive distribution agreement with BMV Medica, and BMV in turn then entered into a 50/50 profit split with

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Easton Pharmaceuticals for the full line of Biolyse-manufactured drugs beginning with Paclitaxel and docetaxel two of the most-commonly prescribed cancer (oncology) drugs in use today,- prescribed for breast, lung, colon and several other cancers. Both drugs are generic with manufacturers from the US, Canada, Mexico, Europe and India vying for a total market of several Billion dollars for these two drugs.
Easton/BMV's market is Latin America, where, starting in Mexico, Canadian-manufactured drugs have an advantage over the Asian-origin drugs, because of NAFTA (North American Free Trade Agreement), allowing Canadian manufacturers to enter into the lucrative national tenders. In addition Canadian-manufactured cancer drugs also have a perceived advantage in quality over the Asian-manufactured counterparts. Easton/BMV have in-licensed the exclusive rights for the full line of Biolyse-manufactured drugs expected to reach in excess of over 30 drug offerings in the coming five years.
Easton/BMV have received the drug dossiers from Biolyse Pharma and are working with a local Mexican Company: Ackerman Pharma/Bio MS to submit for Marketing Authorization in Mexico for paclitaxel and docetaxel. These approvals are expected to be granted over the next six to nine months.
Once these approvals are in place, Easton/BMV expect to begin sales in Mexico very quickly and believes these two cancer drugs will reach revenues of several million dollars over the next three years through sales into both the private and government contract buyers.
In parallel with the Mexican initiative, several countries in Latin America do not require extensive regulatory dossier submissions, in order to purchase these Canadian-manufactured drugs. Once funding is secured Easton/BMV will immediately pursue Sales & Distribution agreements with distributors in Latin American countries where this simplified regulatory pathway is in place.
Easton/BMV believe with a basic marketing program sales of paclitaxel and docetaxel could reach US$10 MM within three years

Drug Delivery Technology

The drugs transdermal delivery technology is a safe, novel and proprietary drug delivery platform that has been developed based on more than 30 years of research by various individuals to address many of the needs in the multi billion dollar drug delivery segment of the pharmaceutical market. The proprietary system used only in the FSAD Drug consists of a water based, complex polymer matrix, which includes methoxypolyethyleneglycol, hydroxyethylcellulose and carboxymethylcellulose.

Included with the 50% ownership interest with the purchase of the FSAD Drug are the following patents or patent pendings filed at that time:

(i) Canadian Patent Application Number CA 2.591.203;
(ii) U.S. Patent Application No. 11/010,154;
Patent Cooperation Treaty Application Number PCT/IB2005/003672 (publication number W02006/061689; and
(iii) European Patent Application Number EP 2005810583

On November 5, 2013 EASTON PHARMACEUTICALS, Inc. acquired an initial 10% ownership interest in a Cancer Treatment Drug called "XILIVE", with an exclusive option to purchase the remaining ownership interest exercisable at any point in time over the next 12 month time period. Should EASTON PHARMACEUTICALS provide funding towards any testing or clinical trials, these expenditures will be included and put towards acquiring additional ownership in the drug. "XILIVE" has not undergone any independent clinical trials, but was previously administered by the current majority owners on individuals outside of the U.S. suffering from various forms of advanced stage cancer with others on a list of prospective candidates. Initial feedback was promising enough to allow EASTON PHARMACEUTICALS to acquire an initial 10% ownership interest through a cash payment. It is the Companys intent to enter into some type of feasibility, safety and efficacy tests. Any type of North American trials may depend on the involvement or the approval of the FDA in the United States and Health Canada in Canada. The Company is currently contemplating forming alliances with certain other company's who have adequate resources and knowledge towards such trials in the jurisdiction of the

United States and Canada. Other avenues being seriously contemplated are to have "XILIVE" utilized in various other countries such as Mexico, Germany, Italy and other countries where regulations are deemed less stringent for the use of experimental early stage drugs for the treatment of certain cancers.

In June of 2013 the Company disclosed its intentions to enter into the medical marijuana industry. During the past 2 years the Company has signed various Letter of Intent Agreement in both the United States and Canada, but subsequently executed and entered into an agreement in June of 2014 with a company called MDRM Group Canada for an exclusive option to purchase up to 50% of a private Canadian medical marijuana grower who has received a letter to build from Health Canada to obtain a medical marijuana growers license under Canada's MMPR system which went into effect on April 1st 2014. The private MMJ company is presently building out its facilities prior to a final inspection towards a national growers license towards medical marijuana.

On July 1st 2014 the Company executed an agreement with a North Carolina based company (Medicated Markets International) who maintain ownership rights to a revenue generating medical marijuana grow-op located within the state of California. The Agreement called for a due diligence period which subsequently closed in January of 2015. 200 Million restricted shares were issued in escrow, which were not counted on its books towards this acquisition to be released on closing of an agreement. The Agreement closed on January 17, 2015 with no shares having yet been released from escrow until such time as an independent evaluation has been determined as requested by Easton Pharmaceuticals and as per agreement.

In November of 2014, the Company closed on an acquisition with Digital Shock media for the Vaporizer business operating under http://www.420.com and http://www.ecigmarkets.com for cash paid by Easton.

On March 22, 2015 the Company attained the rights from Common Sense Ltd., an Israeli based company for the exclusive distribution rights of a patented woman's diagnostic product known as the VS-Sense Diagnostic Product for the country of Mexico which are currently being sold in the United States, Canada and soon Europe. The rights are shared jointly with BMV Medica S.A de C.V. via a 50 /50 revenue sharing agreement. Subsequent to the quarter ending, Easton and BMV executed an LOI to acquire the rights to the remaining Latin American territories.

The company maintains shared office space located at Suite 200, 265 Rimrock Rd. North York, Ontario, Canada, M3J3C6

2. GOING CONCERN

The Company's financial statements are prepared using accounting principles generally accepted in the United States applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company does not have significant cash or other material assets, nor does it have an established source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern. This condition raises substantial doubt as to the entity's ability to continue operations. In the interim, shareholders of the Company have committed to meeting its minimal operating expenses.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the year ended December 31, 2014 the Company incurred a net loss of $346,533 (year to December 31, 2013: $346,533; December 31, 2012: $183,281). At June 30, 2015 the Company had a working capital deficiency (a deficiency of cash over current liabilities) of $12,927.

3. SUMMARY OF ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all debt instruments held with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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 these estimates.

Fair Value of Financial Instruments

The fair value of the Company's cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate the carrying value based on their effective interest rates compared to current market prices.

Concentration of Credit Risk

The Company has no significant off-balance-sheet concentrations of risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements.

Basic and Diluted Loss Per Share

The Company computes loss per share in accordance with Statement of Financial Accounting Standards No. 128 – "Earnings Per Share" ("SFAS 128"). Under the provisions of SFAS No. 128 basic loss per share is computed using the weighted average number of shares of common stock outstanding during the period. Diluted loss per share is computed using the weighted average number of common and potentially dilutive shares of common stock outstanding during the period. For the Company basic and diluted loss per share is the same as any exercise of options or warrants would be anti-dilutive. The Company currently has no stock dilutives.

Income Taxes

The Company accounts for income taxes under the provisions of SFAS No. 109 'Accounting for Income Taxes'. SFAS No. 109 requires recognition of deferred income tax assets and liabilities for the expected future income tax consequences, based on enacted tax laws, of temporary differences between the financial reporting tax bases of assets and liabilities.

CONSULTANTS FEES PAYABLE

Consultants are owed $100,000 as of June 30, 2015 for past work performed and payable to a former directors and Consultants to the Company. The balance owing is unsecured, non interest bearing as per convertible promissory note agreements.

DUE TO RELATED PARTIES AND OTHER LOANS PAYABLE

Amounts due to related parties and other loans payable are unsecured, bear no interest and are payable on demand.

4. ISSUANCE HISTORY

a) Prior to a reverse split of its common stock implemented on April 30, 2009 the Company had a total of 115,499,179 shares issued and outstanding.

b) On April 30, 2009 the shareholders approved a consolidation of share capital on a 3000 old for 1 new share basis and a change of name to LAM Industries Inc. All shares issued

c) These financial statements have been adjusted to reflect the 3000:1 reverse split.

d) On July 30, 2009 the Company issued 36,000,000 shares of common stock to acquire the assets of Viorra Bio Medical, Inc. (closed on June 25, 2009) valued by management at $3,600, the par value of the shares.

e) On August 21, 2009 the Company issued 8,000,000 shares of common stock for the remaining assets of Ixora Bio Medical valued by management at $546,145, the book value of Ixora.

f) On September 4, 2009 the Company issued 14,258,200 shares of the Company's common stock pursuant to the conversion of a Promissory note issued on June 11, 2006.

g) On November 2, 2009 the Company issued 14,258,210 shares of the Company's common stock pursuant to the conversion of a Promissory note issued on June 11, 2006.

h) On December 9, 2009 the Company issued 14,258,166 shares of the Company's common stock pursuant to the conversion of a Promissory note issued on June 11, 2006.

i) On August 15, 2011 the Company issued 1,000,000 shares of the Company's common stock for services rendered to the Company and fairly valued by both parties at $25,000.

j) On November 15, 2012 the Company issued 40,000,000 shares of common stock valued at $200,000 ($0.005 per share) to consultants. $50,000 was considered earned at December 31, 2012, $50,000 considered earned at December 31, 2013 and $25,000 considered earned at - -June 30, 2014. The remaining $75,000 is to be earned in equal installments annually over the next eighteen months.

k) During the quarter between July, August and September of 2013 the Company issued 84,200,000 shares of common stock for cash of $169,995 through Regulation D offerings.

l) During the quarter between October, November and December of 2013 the Company issued 231,900,000 shares of common stock for cash of $345,239 through Regulation D offerings.

m) During January of 2014 the Company issued 140,287,003 shares of common stock for cash of $440,000 through Regulation D offerings.

n) On April 15, 2014 the Company issued 26,283,003 shares of common stock as per rule 144 for cash of $257,000 through Regulation D offerings.

o) On May 6, 2014 the Company issued 20,000,000 shares of common stock as per rule 144 in settlement of aged debts totaling $135,000.

p) On June 4, 2014 the Company issued 20,000,000 rule 144 restricted shares of common stock to Carla Pepe (director) as per employment agreement dated November 2013.

q) On June 4, 2014 the Company issued 20,000,000 rule 144 restricted shares of common stock to John Adams (director) as per employment agreement dated June 2013.

r) On June 11, 2014 the Company issued 15,000,000 rule 144 shares of common stock in settlement of aged debts totaling $113,400.

s) On July 08, 2014 the Company issued 5,300,000 common shares as per rule 144 in settlement of an aged debt in the amount of $34,800.

t) In October of 2014 the Company issued 31,428,571 rule 144 shares shares of common stock in settlement of aged debts totaling $110,000.

u) On January 25, 2015 the Company issued 5,000,000 restricted shares to Nutrashop Global Corp. towards a distribution agreement between the two company's.

v) On March 3, 2015 the Company issued 200,000,000 restricted shares to Medicated Markets International Inc. to be held in escrow as per agreement dated July 1, 2014 and subsequently closed on January 16, 2015.

w) On April 2, 2015 the Company issued 1,000,000 restricted shares to a John K. Easton as per agreement dated April 2014.

x) On April 2, 2015 the Company issued 50,000,000 restricted common shares to BMV Medica to acquire rights to patented woman's diagnostic product's for all of Latin America from Common Sense of Israel.

5. FINANCIAL STATEMENTS POSTED ON PAGE 16

Easton Pharmaceuticals, Inc.
(a Development Stage Company)
Quarter Ending June 30, 2015
Prepared by management without audit

EASTON PHARMACEUTICALS INC.
(a Development Stage Company) **BALANCE SHEETS**

UNAUDITED		**June 30 2015**		December 31 2014
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	116,029	**$**	697,884
Account receivable		9,324		9,324
Inventory		4,956		4,956
Prepaid expense		25,000		50,000
Total Current Assets		155,309		762,164
Other Assets				
SEAS / Nutrashop		24,024		0
Ixora and Viorra		549,745		549,745
MMI		140,094		0
BMV Medica / Common Sense Ltd.		310,997		0
Total Assets	**$**	1,180,169	$	1,311,909
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Current Liabilities				
Accounts payable and accrued expenses	**$**	28,956	$	28,956
Consultants fees payable (Convertible Promissory Notes)		100,000		100,000
Total Current Liabilities		128,956		128,956
Other Liabilities				
Promissory note		15,400		15,400
Total Liabilities		144,356		144,356
Contingencies, note 3				
Stockholders' Equity (Deficit)				
Preferred Stock				
Authorized: 20,000,000 preferred shares par value $0.0001 each				
Issued: nil preferred shares		0		0
Common Stock				
Authorized: 1,000,000,000 common shares par value $0.0001 each				
Issued: 816,728,571 common shares : (611,728,571 December 31, 2014)		81,673		61,173
Additional paid-in capital		38,542,173		38,542,173
Other comprehensive gain (loss)		0		0
Accumulated deficit		(37,588,033)		(37,435,793))
Total Stockholders' Equity (Deficit)		1,035,813		1,167,553
Total Liabilities and Stockholders' Equity	**$**	1,180,169	$	1,311,909

(Unaudited)

The accompanying notes are an integral part of these unaudited financial statements.
These unaudited financial statements have been prepared by management

Easton Pharmaceuticals, Inc.
(a Development Stage Company)
Quarter Ending June 30, 2015
Prepared by management without audit

EASTON PHARMACEUTICALS INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
for the period December 31, 2004 through June 30, 2015

UNAUDITED	Number of Shares	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance - December 31, 2004	**21,960**	**$ 3**	**$ 33,240,644**	**$ (33,110,325)**	**$ 130,322**
Capital contribution - interest expense	-	-	8,315	-	8,315
Stock options granted:					
- Compensation for services rendered	-	-	5,433	-	5,433
Common shares issued:					
- Compensation for services rendered	11,621	1	1,454,035	-	1,454,036
Sale of shares under stock subscription agreements	3,767	-	316,902	-	316,902
Net loss December 31, 2005	-	-	-	(2,251,550)	(2,251,550)
Balance - December 31, 2005	**37,348**	**$ 4**	**$ 35,025,329**	**$ (35,361,875)**	**$ (336,542)**
Common shares issued:					
-Compensation for services rendered	1,073	-	123,664		123,664
Net loss December 31, 2006	-	-	-	(226,438)	(226,438)
Balance – December 31, 2006	**38,421**	**$ 4**	**$ 35,148,993**	**$ (35,588,313)**	**$ (439,316)**
Net loss December 31, 2007	-	-	-	(150,106)	(150,106)
Balance – December 31, 2007	**38,421**	**$ 4**	**$ 35,148,993**	**$ (35,738,419)**	**$ (589,422)**
Common shares issued:					
-to settle promissory note	14,258,220	1,426	12,832	-	14,258
Capital contribution – accounts payable beyond statute of limitations	-	-	886,958	-	886,958
Net loss December 31, 2008	-	-	-	(621,643)	(621,643)
Balance – December 31, 2008	**14,296,641**	**$ 1,430**	**$ 36,048,783**	**$ (36,360,062)**	**$ (309,849)**
Common shares issued:					
-to acquire Viorra assets	36,000,000	3,600	-	-	3,600
-to acquire Ixora assets	8,000,000	800	545,345	-	546,145
-to settle promissory notes	28,516,356	2,851	47,149		50,000
Net loss December 31, 2009	-	-	-	(15,665)	(15,665)
Balance – December 31, 2009	**86,812,997**	**$ 8,681**	**$ 36,641,277**	**$ (36,375,727)**	**$ 274,231**
Net loss December 31, 2010	-	-	-	(56,774)	(56,774)
Balance – December 31, 2010	**86,812,997**	**$ 8,681**	**$ 36,641,277**	**$ (36,432,501)**	**$ 217,457**
Issued for consulting fees	1,000,000	100	24,900	-	25,000
Net loss December 31, 2011	-	-	-	(112,630)	(112,630)
Balance – December 31, 2011	**87,812,997**	**$ 8,781**	**$ 36,666,177**	**$ (36,545,131)**	**$ 129,827**
Issued for consulting fees	40,000,000	4,000	196,000	-	200,000
Net loss December 31, 2012	-	-	-	(183,281)	(183,281)
Balance – December 31, 2012	**127,812,997**	**$ 12,781**	**$ 36,862,177**	**$ (36,728,412)**	**$ 146,546**
Issued for cash	231,900,000	23,190	322,049	-	345,239
Unrealized foreign exchange gain	-	-	8,949	-	8,949
Net loss December 31, 2013	-	-	-	(246,533)	(246,533)
Balance – December 31, 2013	**359,712,997**	**35,971**	**371,193,175**	**(36,974,945)**	**254,201**
Issued for cash	140,287,003	14,029	682,971	-	697,000
Issued for debt	35,000,000	3,500	244,900	-	248,400
Issued for management fees payable	40,000,000	4,000	280,000	-	284,000
Issued for account payable	5,300,000	530	34,270		34,800
Issued for long term debt	31,428,571	3,143	106,857	-	110,000
Net loss December 31, 2014	-	-	-	(360,848)	(360,848)
Balance – December 31, 2014	**611,728,571**	**$ 61,173**	**$ 38,542,173**	**$ (37,435,793)**	**$ 1,167,553**
Issued for 40% interest in Medicated Markets Int.	200,000,000	20,000	-	-	20,000
Issued for distribution agreement	5,000,000	500	-	-	500
Net loss six months ended March 31, 2015	-	-	-	(152,240)	(152,240)
Balance – June 30, 2015	**816,728,571**	**$ 81,673**	**$ 38,542,173**	**$ (37,588,033)**	**$ 1,035,813**

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

(Unaudited)

Easton Pharmaceuticals, Inc.
(a Development Stage Company)
Quarter Ending June 30, 2015
Prepared by management without audit

EASTON PHARMACEUTICALS INC.
(a Development Stage Company)
STATEMENTS OF OPERATIONS

For the three and six months ended June 30	**2015**		2014	
	Three months	Six months	Three months	Six months
UNAUDITED				
Revenues	$ **0**	$ **0**	$ 0	$ 0
Expenses				
Product development	**25,998**	**119,390**	3,141	15,766
Consulting fees	**12,500**	**25,000**	17,500	30,000
Management fees	**20,532**	**20,532**	318,900	353,900
Professional fees	**0**	**0**	25,823	25,823
Marketing	**8,610**	**13,206**	294	6,182
Travel and promotion	**0**	**5,438**	5,641	10,709
Transfer agent	**825**	**2,130**	1,110	3,608
General and administrative	**5,140**	**9,313**	30,542	33,934
Total Expenses	**73,605**	**195,009**	401,841	479,922
Loss Before Other Expenses	**(73,605)**	**(195,009)**	(401,841)	(479,922)
Other Income (Expense)				
Interest expense	**0**	**0**	0	0
Foreign exchange gain	**2,456**	**42,769**	3,533	4,622
Loss on disposal of patents and trademarks	**0**	**0**	0	0
New business evaluation	**0**	**0**	(46,646)	(46,646)
Net Loss	$ **(71,149)**	$ **(152,240)**	$ (444,954)	$ (521,946)
Loss per Common Share - Basic and Diluted	$ **(0.00)**	$ **(0.00)**	$ (0.00)	$ (0.00)
Weighted Average Number of Common Shares Outstanding:				
Basic and Diluted	**816,728,571**	**714,228,571**	174,329,851	122,190,832

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

(Unaudited)

Easton Pharmaceuticals, Inc.
(a Development Stage Company)
Quarter Ending June 30, 2015
Prepared by management without audit

EASTON PHARMACEUTICALS INC.
(a Development Stage Company)
STATEMENTS OF CASH FLOWS

For the six months ended June 30		**2015**		2014
UNAUDITED				
Cash Flows from Operating Activities				
Net Loss	**$**	**(152,240)**	$	(521,946)
Adjustments to Reconcile Net Loss				
to Cash Flows from Operating Activities:				
Management fees paid with common shares		**0**		284,000
Prepaid expense		**25,000**		25,000
Non cash distribution expense		**500**		0
Non cash expense: loss on disposal of patents and trademarks		**0**		0
Changes in Assets and Liabilities:				
Accounts payable and accrued expenses		0		108,664
Net Cash Flows from Operating Activities		**(126,740)**		(104,282)
Cash Flows from Investing Activities				
Advances for other assets		**(455,115)**		0
Net Cash Flows from Investing Activities		**(455,115)**		0
Common shares issued for cash		**0**		697,000
Commitment to issue common shares		**0**		0
Decrease in loans from Stockholders		**0**		(29,138)
Net Cash Flows from Financing Activities		**0**		667,862
Net Change in Cash and Cash Equivalents		**(581,855**)		563,580
Cash and Cash Equivalents - Beginning of Period		**697,884**		187,511
Cash and Cash Equivalents - End of Period	**$**	**116,029**	$	751,091
NON-CASH INVESTING AND FINANCING ACTIVITIES				
Stock issued to settle promissory notes payable	$	**0**	$	248,400
Stock issued to pay management fees	$	**0**	$	284,000
Advances for other assets	**$**	**0**	$	0
SUPPLEMENTAL DISCLOSURE				
Interest paid	**$**	**0**	$	0
Income taxes paid	**$**	**0**	$	0
Common shares issued for assets	**$**	**0**	$	0

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

(Unaudited)

Easton Pharmaceuticals, Inc.
(a Development Stage Company)
Quarter Ending June 30, 2015
Prepared by management without audit

NOTES TO FINANCIAL STATEMENTS

6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES / MANAGEMENT DISCUSSION AND ANALYSIS

A. Description of Business Operations

Product and Market Overview

For many years, lotions, creams, suspensions and solutions of various natural (herbal) and therapeutic (drug) substances have been applied to the skin. When it comes to treating pain, sexual dysfunction and other disease states that emanate from structures of the body below the skin, topical therapy is not effective unless the therapeutic agent can cross the outer layer of the skin (stratum corneum) which acts as a protective barrier. This layer consists of numerous dead cells and cells in transition, which collectively forms an effective barrier to penetration of substances, such as bacteria, in the air or in water. Thus the stratum comeum plays an important role in protecting the body from invasion by harmful substances.

It is this same protective role, which has posed a major challenge over the years regarding devising a mechanism that can effectively permit the stratum comeum to allow therapeutic substances to be delivered to structures within the body.

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* scientists discovered that certain molecules called polymers possessed strong electrical charges which, when combined with other polymers of a specific electrical charge, are able to effectively help transport agents through the outer layers of the skin. In addition, these molecules are able to attach or surround other molecules such as therapeutic molecules and carry them within a matrix through the outer layers of the skin Easton Pharmaceuticals *(formerly LAM)* scientists recognized that these discoveries would be of great significance in regard to the delivery of therapeutic agents.

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* research indicates that its proprietary technology is capable of combining in a matrix, in a novel manner, certain ingredients that are well established and generally regarded by the public, the regulatory authorities and pharmaceutical industry as safe "GRAS", or (Generally Recognized As Safe).

When combined with other therapeutic ingredients, we believe that the VDM technology allows the delivery of greater amounts of therapeutic ingredients to the target area than may otherwise be possible.

All cosmetic and drug products are regulated in the United States by the FDA, and in other jurisdictions by various other regulatory authorities.

All of our other products are in various stages of development and testing. Viorra, the first female sexual enhancement product is to be ready to be marketed and sold alongside products Kenestrin Gel and Skin Renou HA within the 4th quarter of 2014 or first quarter of 2015. None of the products require any clinical trials. Other products the company currently holds may not be commercially available. As a result, we expect to incur additional losses for the foreseeable future. Our estimate of the costs associated with future research, development and clinical studies may be substantially lower than the actual costs of these activities. If our cost estimates are incorrect, we will need additional funding for our research, development and clinical efforts. Please see our risk factors that discuss our ability to pay the costs of completing our research and development, which can be found in the next paragraph. There can be no assurance that our products will prove to have any therapeutic or other value.

We believe Viorra, kenestrin Gel, Skin Renou HA and any of our stretch mark and scar product line currently in development would be considered a Class I device in the US, and may be less regulated in other jurisdictions. Class I devices are subject to "general controls".

This is the lowest level of FDA control of medical devices that focuses on basic factors such as quality regulation. In foreign countries our products may be regulated by regulatory authorities similar to the FDA, and each such foreign regulatory authority may impose its own regulations on us which can be different or more difficult and costly to comply with than FDA regulations.

We believe that the products we are developing will be classified as cosmetics or Class I medical devices. Products classified as cosmetics may be marketed and sold in the US without FDA approval. Drugs are not cosmetics and those, as well as OTC drugs, must be marketed following FDA regulations and/or approvals in the United States. Before human testing can begin with respect to a new drug in the United States, preclinical studies are conducted in laboratory animals to evaluate the potential efficacy and the safety of a product. Human clinical studies generally involve a three-phase process. The initial clinical evaluation, Phase I, consists of administering the product and testing for safe and tolerable dosage levels. Phase II trials continue the evaluation of safety and determine the appropriate dosage for the product, identify possible side effects and risks in a larger group of subjects, and provide preliminary indications of efficacy. Phase III trials consist of testing for actual clinical efficacy within an expanded group of patients at geographically dispersed test sites.

We believe that our VDM technology, when used with prescription drugs, or with currently approved OTC drugs will be regulated as a new drug and will require approval by the FDA. Conversely, we believe that the VDM delivery technology, when used as a cosmetic can be marketed without prior approval.

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* has previously performed evaluations of a limited number of IPM/drug formulations, including formulations incorporating diclofenac and dimenhydrinate. Diclofenac is a non-steroidal anti-inflammatory medicine used in this formulation to help relieve some symptoms of arthritis, such as inflammation, swelling, stiffness, and joint pain. We have not performed any studies on the safety and efficacy of products containing these ingredients. Our preferred course for these formulations is to negotiate licensing agreements and/or joint ventures with larger pharmaceutical companies, which have the financial resources to fund the research and/or clinical trials necessary to complete the development of our products.

The Company believes no clinical trials are needed to market and sell any of its VDM OTC products encompassing it delivery system should it be marketed as a cosmetic product. Any drugs developed utilizing its VDM delivery technology will need to undertake clinical trials and obtain approval by the FDA (food and drug administration). If in the future the results of any clinical trials involving these formulations are promising, we may then be in a position to negotiate licenses, to exploit the VDM technology on other drugs. It should be emphasized that a number of risks may be associated with this approach. In addition, more clinical studies may be requested by a potential licensee before it is willing to enter into an agreement. Any further clinical studies, as defined by the FDA, will not be performed without partnering.

Our objective is to raise sufficient capital to enable us to sustain ongoing research, marketing and administrative overhead as well as to enable us to undertake the work necessary to obtain clearances to market and sell our products if required, and to license certain products to third parties.

We believe that the longer we are able to continue development and the clinical trials for certain products and thereby establish their safety and efficacy, the greater their value will be to a potential licensee given the reduced risk of failure. Consequently, we believe that the longer we retain sole ownership of those products the greater will be our bargaining position with prospective licensees and strategic alliance partners. Indeed, the industry places incrementally larger different values on drugs as they progress through the clinical trials required by the FDA.

We plan to market our products in any country where a suitable market exists and which has approved our products for sale.

The Company’s current focus is to serve the healthcare market in the USA and in the process of entering Mexico, and select South American markets. We will continue to analyze and review our options to market and sell the Company’s

products in Europe and China. As resources become available the Company will continue to review opportunities in other countries and will enter these countries as appropriate.

Current Product Pipeline

The following section describes the history and future intentions of the products under current development by the Company

XILIVE Cancer Drug

On November 5, 2013 EASTON PHARMACEUTICALS, Inc. acquired an initial 10% ownership interest in a Cancer Treatment Drug called "XILIVE", with an exclusive option to purchase the remaining ownership interest. Should EASTON PHARMACEUTICALS provide funding towards any testing or clinical trials, these expenditures will be included and put towards acquiring an additional ownership in the drug. "XILIVE" is not yet patented and has not undergone any independent clinical trials, but was previously administered by the current majority owners on 2 non U.S. individuals suffering from various forms of advanced stage cancer. Initial feedback was promising enough to allow EASTON PHARMACEUTICALS to acquire an initial 10% ownership interest. It is the Companys Intent along with the current majority owners to enter into some type of feasilbilty, safety and efficacy tests. Any type of trials may depend on the involvement or the approval of the FDA in the United States and Health Canada in Canada. The Company is currently contemplating forming alliances with certain other company's who have adequate resources and knowledge towards such trials in the jurisdiction of the United States and Canada. Other avenues being seriously contemplated are to have "XILIVE" utilized and tested in various other countries such as Mexico, Germany, Italy and other countries where regulations are less stringent for the use of experimental early stage drugs for the treatment of certain cancers.

Female Sexual Arousal Dysfunction

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* first product, Viorra for women is the first product using EASTON PHARMACEUTICALS, Inc. priority VDM technology and is designed primarily to address the deficiencies in women experiencing FASD, which is often associated with post-menopausal problems that may inhibit their intimate relationships. Specifically, Viorra, using VDM technology acts to either eliminate or significantly minimize post-menopausal symptoms including vaginal dryness, pain during intercourse, while improving feeling and sensation.

Management believes that the VPM is a cosmetic and it is not pursuing any specific new chemical entity or other pharmaceutical drug claims for Viorra or VDM technology at this time. The product uses substances that have been approved and found safe by the regulatory authorities for many applications.

Other Products / Initiatives

Medical Marijuana

In June of 2013 the Company disclosed its intentions to enter into the medical marijuana industry. Since then the Company has signed various Letter of Intent Agreements in both the United States and Canada, but subsequently executed and entered into an agreement in June of 2014 with a company named MDRM Group Canada for an exclusive option to purchase up to 50% of a private Canadian medical marijuana grower who has received a letter to build from Health Canada to obtain a medical marijuana growers license under Canada's MMPR system which went into effect on April 1st 2014. The private MMJ company is presently building out its facilities prior to a final health Canada inspection.

On July 1st 2014 the Company executed an agreement with a North Carolina based company who maintain ownership rights to a revenue generating medical marijuana grow-op located within the state of California. The Agreement closed in January of 2015.

The acquired Viorra VPM technology is planned to be incorporated into a broad pipeline of EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* products. The VDM gel can be safely used over large areas of skin, making it ideal for use as a cosmetic-based delivery system in various applications for the skin.

Cosmetics are a multi-billion dollar a year industry that do not require FDA approval prior to marketing, although cosmetics must be safe, contain appropriate cosmetic ingredients and be labeled properly. In addition to the primary market focus of adding in the treatment of FASD, the VDM technology is an ideal carrier of many active ingredients and supplements that may be useful in treating or as aids to treatment of a variety of skin conditions including but not limited: to scarring alleviation, wound healing, cellulite reduction, reducing the severity of stretch marks, varicose veins, relief of general skin dryness, and moisturization. The VDM technology is compelling to users as a carrier of other active cosmetic ingredients particularly because it is quite viscous and contains non-staining and non-irritating ingredients.

OTC drug products marketed in the United States can make cosmetic claims as well as therapeutic claims and are intended to treat or prevent disease. Examples of such products include, but are not limited to, anti-dandruff shampoos; sunscreens; make-ups, moisturizers and skin care products that contain sunscreen, skin protectant or acne claims; products that make breath-freshening or whitening claims; antiperspirants that contain deodorant claims; and anti-microbial soaps. These products must comply with the FDA Monographs for OTC drugs products.

As a cosmeceutical, a combination of future OTC drug and cosmetic products, the Viorra proprietary matrix can be used for a variety of topical and other uses. These include use with certain antibiotic first aid products, antifungal drugs, dandruff, dermatitis and psoriasis control products, external analgesics, skin protectant-type products, such as for poison ivy and fever blisters and cold sores, first aid antiseptics, and anorectal products. Other products may also be developed from the VDM technology as determined by senior management, science team and board of directors based on an interdependent analysis of efficacy, development cost and market potential.

EASTON PHARMACEUTICALS, Inc. is currently reviewing the ability to manufacture its pipeline of products which encompasses the VDM proprietary matrix delivery system with certain contract manufacturing companies based in the USA, Canada and Mexico. No studies have yet been performed regarding the new reformulated products although recent product safety and efficacy internal tests did appear to be promising. EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* may incur costs associated with obtaining regulatory clearance prior to the introduction of these products to market. Such costs would include any clinical trials/studies and consulting fees for any 510(k) application as a Class I medical device. Any application to the FDA will be submitted only when we have completed the clinical validation trials for the product.

Government Regulation

All of the EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* products will be regulated in the United States under the Federal Food, Drug and Cosmetic Act (FD&C Act), the Public Health Service Act, and the laws of certain states. The FDA exercises regulatory control over drugs manufactured and/or sold in the United States, including those that are unapproved.

We believe that some of the products currently in the research and development pipeline will be subject to Class I or Class II medical devices while others will be able to marketed using cosmetic classifications as described by the FDA.

It is also possible that the proprietary VDM technology, when used with approved or unapproved prescription drugs or biologics, may be regulated as a combination unapproved new drug and medical device, in which case it would be subject both to medical device and new drug regulation. It is also possible that the use of the VDM technology with a monographed OTC drug could render the product an unapproved new drug, which would mean that the product is subject to new drug application approval requirements before marketing.

We intend to seek out partners for any products which require new drug applications and will rely on our partners to pursue any regulatory application in regards to these products.

Brief descriptions of the FDA classifications are as follows:

Cosmetics

Cosmetics are generally the least regulated by the FDA compared to other products subject to the FD&C Act. The legal distinction between cosmetics and drugs is typically based on the intended use of the product, which is normally discerned from its label or labeling. Cosmetic products are those intended for cleansing, beautifying, promoting attractiveness, or altering appearance whereas drugs are those intended for diagnosis, cure, mitigation, treatment, or prevention of disease, or that affect the structure or any function of the body.

A claim suggesting that a product affects the body in some "physiological" way usually renders the product a drug - even if the effect is temporary. However, claims that a product affects appearance through a "physical" effect are generally considered cosmetic claims. The FDA's rationale for this distinction is that a claim of a physiological effect is a claim that the product "affects" the structure or function of the body, which is one element of the statutory definition of a drug. A claim indicating that products effects are on the surface of the skin can be a cosmetic claim.

Although cosmetics may be marketed without FDA approval, in order to be marketed lawfully as a cosmetic, the product must be properly labeled and each ingredient and each finished cosmetic product must be adequately substantiated for safety prior to marketing.

Products which are not cosmetics, and are marketed in the United States, must either comply with specified OTC drug regulations (monographs) or be specifically approved through the New Drug Application (NDA) or biologic licensure process.

Medical Devices

The FDA may choose to regulate certain uses of the proprietary VDM technology as a medical device if it determines that the mechanism by which the VDM technology exerts its effects meets the defined requirements of a medical device. A medical device is a product that, among other requirements, does not achieve its primary intended purposes through chemical action within or on the human body and is not dependent upon being absorbed to achieve its primary intended purpose.

Medical device regulation is based on classification of the device into three classes, I, II, or III. The three classes are based on the degree of control necessary to assure the various types of devices are safe and effective. Device classification depends on the intended use of the device and also upon indications for use. In addition, classification is risk based, that is, the risk the device poses to the patient and/or the user is a major factor in the class it is assigned. Class I medical devices present minimal potential for harm to the user and are often simpler in design than Class II or Class III devices. 47% of medical devices fall under Class I category and 95% of these are exempt from the regulatory process. 43% of medical devices are Class II devices. Class III medical devices usually sustain or support life, are implanted, or present potential unreasonable risk of illness or injury. 10% of medical devices fall under Class III category.

Section 510(k) of the Food, Drug and Cosmetic Act requires those device manufacturers who must register to notify FDA their intent to market a medical device. This is known as Premarket Notification (PMN) or 510(k). Under 510(k), before a manufacturer can market a medical device in the United States, they must demonstrate to FDA's satisfaction that it is substantially equivalent (as safe and effective) to a device already on the market.

If FDA rules the device is "substantially equivalent," the manufacturer can market the device. Only a small percentage of 510(k)’s require clinical data to support a marketing clearance by the Food and Drug Administration (FDA).

OTC Drugs

OTC drugs generally are defined as those drug products that can be used safely and effectively by the general public without seeking treatment by a physician or other health care professional. Thus, they do not require a prescription by a health care professional and are available at retail establishments. An OTC drug may be marketed without FDA approval if it conforms to a particular product monograph as described below and otherwise meets the requirements of the FD&C Act.

OTC monographs list active ingredients, their dosage levels, and uses (claims) for which OTC drug products are considered generally recognized as safe and effective for specific use and are not misbranded. If a particular level of an active ingredient and claim are allowed by a monograph, then a manufacturer may market a product containing that ingredient and bearing that claim without specific FDA approval, subject to compliance with other requirements of the monographs and FD&C Act, including labeling, drug registration and listing, and manufacturing obligations. With regard to labeling, the regulations require certain language for statement of identity, net contents, adequate directions for use, and name and address of the manufacturer, and their placement on the finished package, as well as additional warning statements when relevant to the product. All OTC manufacturers must register their establishments with the FDA and submit to the FDA a list of products made within five days after beginning operations, as well as submit a list of products in commercial distribution. The FDA must inspect all registered establishments at least every two years and OTC drug products must be manufactured in accordance with CGMP regulations. If the FDA finds a violation of CGMPs, it may enjoin a company's operations, seize product, or criminally prosecute the manufacturer.

If a drug product does not conform to a particular OTC monograph, then typically a New Drug Application must be reviewed and approved by the FDA prior to marketing. Unlike prescription drugs, OTC drugs must bear adequate directions for safe and effective use and warnings against misuse.

New Drug Applications and Biologic License Applications

New drugs and products that are not cosmetics or devices and that are not covered by an OTC monograph must be approved by the FDA prior to marketing in the United States. Pre-clinical testing programs on animals, followed by three phases of clinical testing on humans, are typically required by the FDA in order to establish product safety and efficacy.

The first stage of evaluation, pre-clinical testing, must be conducted in animals. After safety has been demonstrated, the test results are submitted to the FDA (or a state regulatory agency) along with a request for authorization to conduct clinical testing, which includes the protocol that will be followed in the initial human clinical evaluation. If the applicable regulatory authority does not object to the proposed study, the investigator can proceed with Phase I trials. Phase I trials consist of pharmacological studies on a relatively few number of human subjects under rigidly controlled conditions in order to establish lack of toxicity and a safe dosage range.

After Phase I testing is completed, one or more Phase II trials are conducted in a limited number of patients to continue to test the products safety and also its efficacy, i.e. its ability to treat or prevent a specific disease. If the results appear to warrant further studies, the data are submitted to the applicable regulatory authority along with the protocol for a Phase III trial. Phase III trials consist of extensive studies in large populations designed to assess the safety of the product and the most desirable dosage in the treatment or prevention of a specific disease. The results of the clinical trials for a new drug are submitted to the FDA as part of a New Drug Application (NDA).

Biological drugs are subject to Biologics License Applications (BLAs), not NDAs as are other drugs. Biological drugs are a subset of “drug products” distinguished by their manufacturing process (biological vs. chemical process). A biological

drug is any virus, serum, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, or analogous product applicable to the prevention, treatment, or cure of diseases or injuries. They must be safe, pure and potent. Generic competition does not exist for biologics, as it does for other drugs. Biological drugs are generally subject to the same testing, manufacturing, distribution, marketing, labeling, advertising and other requirements for other drugs.

To the extent that all of the manufacturing process for a product is handled by an entity other than EASTON PHARMACEUTICALS, Inc. the manufacturing entity will be subject to inspections by the FDA and by other federal, state and local agencies and must comply with FDA GMP requirements. In complying with GMP regulations, manufacturers must continue to expend time, money and effort in the area of production, quality control and quality assurance to ensure full compliance.

EASTON PHARMACEUTICALS, Inc. may undertake itself, or through partners, extensive and costly clinical testing to assess the safety and efficacy of product derived in combination with the VDM technology or on its other products such as its cancer drug, XILIVE and Femlife. Failure to comply with FDA guidelines regulating such testing can result in delay, suspension or cancellation of testing, and refusal by the FDA to accept the results of the testing. In addition, the FDA may suspend clinical studies at any time if it concludes that the subjects or patients participating in trials are being exposed to unacceptable health risks. Further, there can be no assurance that human clinical testing will show any of our drug delivery systems to be safe or effective or that data derived from any testing will be suitable for submission to the FDA.

The clinical studies prior to seeking marketing clearance required by European regulatory authorities before our systems can be marketed in Western Europe are similar to those in the United States. First, appropriate pre-clinical laboratory and animal tests must be done, followed by submission of a clinical trial exemption or similar documentation before human clinical studies can be initiated. Upon completion of adequate and well-controlled clinical studies in humans that establish that the drug is safe and efficacious, regulatory approval of a Market Authorization Application must be obtained from the relevant regulatory authorities. As with the FDA review process, there are numerous risks associated with the Market Authorization Application review. Additional data may be requested by the regulatory agency reviewing the Market Authorization Application to demonstrate the contribution of a product component to the clinical safety and efficacy of a product, or to confirm the comparable performance of materials produced by a changed manufacturing process or at a changed manufacturing site.

The process of biologic and new drug development and regulatory approval or licensure requires substantial resources and many years. There can be no assurance that regulatory approval will ever be obtained for other products being developed by us. Authorization for testing, approval for marketing of drugs, including biologics, by regulatory authorities of most foreign countries must also be obtained prior to initiation of clinical studies and marketing in those countries. The approval process varies from country to country and the time period required in each foreign country to obtain approval may be longer or shorter than that required for regulatory approval in the United States.

There are no assurances that any clinical trials conducted in foreign countries will be accepted by the FDA for approval in the United States. Product approval (or licensure in a foreign country) does not mean that the product will be approved or licensed by the FDA and there are no assurances that we will receive any approval or license by the FDA or any other governmental entity for the marketing of a drug product. Likewise, product approval by the FDA does not mean that the product will be approved or licensed by any foreign country.

Product Status

All of our other products are in various stages of development and testing. Viorra, the first female sexual enhancement product is to be ready to be marketed and sold alongside products Kenestrin Gel and Skin Renou HA. None of the products require any clinical trials. Other products the company currently holds may not be commercially available. As a result, we expect to incur additional losses for the foreseeable future. Our estimate of the costs associated with future

research, development and clinical studies may be substantially lower than the actual costs of these activities. If our cost estimates are incorrect, we will need additional funding for our research, development and clinical efforts. Please see our risk factors that discuss our ability to pay the costs of completing our research and development, which can be found in the next paragraph. There can be no assurance that our products will prove to have any therapeutic or other value.

R**esearch and Development**

As part of our ongoing research and development program, we intend to develop and commercialize as many products as possible based on the proprietary VDM technology. Our long-range goal with Board of Directors' approval is to exploit other uses of its matrix delivery system to improve the therapeutic effects and efficacy of various products

Since inception, EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* has raised approximately $18 Million that it has used for research and development related to the L.A.M. IPM™ technology. EASTON PHARMACEUTICALS *(formerly LAM)* research and development expenditures do not include research and development expenses relating to any of the acquired IXORA's or VBMI's VDM system or other research and development expenditures related to other pipeline products acquired in the VBMI and IXORA asset acquisitions, or corporate expenses accrued in the acquired companies for on-going costs for, among other things: marketing expertise, professional consultants, accounting, regulatory fees, sales costs, and general corporate purposes for which arms- length and non-arms-length individuals provided services to the companies in exchange for future consideration. Management estimates that approximately $2.7 million has been expended by Ixora and Viorra to develop and prepare for commercialization of the VDM technology prior to acquisition and prior to reformulations of its OTC products.

Manufacturers and Suppliers

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* will purchase its supplies of raw materials for the formulation of its all product from various independent supply companies. Several vendors have been identified and these have been determined to be in compliance with any regulatory requirements for manufacture of our products; all future vendors will be chosen using established criteria for selecting quality vendors as accepted by our quality system infrastructure.

Competition

The pharmaceutical industry is highly competitive. We believe that competition for product sales is based primarily on brand awareness, price, availability and product efficacy. Our products may be subject to competition from alternate therapies during the patent protection period, if applicable, and thereafter from generic equivalents.

Many of our competitors are large, well-established companies in the pharmaceutical, chemical, cosmetic and health care fields and may have greater resources than we do to devote to manufacturing, marketing, sales, research and development and acquisitions. Our competitors include Bristol-Myers Squibb, Johnson & Johnson, Smith & Nephew and others.

Patents and Trademarks

Prior to the then Board of Directors decision to abandon and suspend any further research and development or commercialization efforts for products based on the EASTON PHARMACEUTICALS, Inc. *(formerly LAM) L*.A.M. IPM ™ technology, in the fall of 2008, EASTON PHARMACEUTICALS, Inc. (formerly LAM) owned fifteen U.S. patents, nine foreign patents, five U.S. patent applications and numerous international patent applications designating over 100 foreign countries with claims relating to our sustained release delivery matrix system, systems containing drug preparations, uses of the systems for various treatment therapies and addiction therapeutic program. The patents were to expire between 2015 and 2018.

Easton Pharmaceuticals, Inc.
(a Development Stage Company)
Quarter Ending June 30, 2015
Prepared by management without audit

NOTES TO FINANCIAL STATEMENTS

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the year ended December 31, 2014 the Company incurred a net loss of $346,533 (year to December 31, 2013: $346,533; December 31, 2012: $183,281). At June 30, 2015 the Company had a working capital deficiency (a deficiency of cash over current liabilities) of $12,927.

3. SUMMARY OF ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all debt instruments held with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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 these estimates.

Fair Value of Financial Instruments

The fair value of the Company's cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate the carrying value based on their effective interest rates compared to current market prices.

Concentration of Credit Risk

The Company has no significant off-balance-sheet concentrations of risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements.

Basic and Diluted Loss Per Share

The Company computes loss per share in accordance with Statement of Financial Accounting Standards No. 128 – "Earnings Per Share" ("SFAS 128"). Under the provisions of SFAS No. 128 basic loss per share is computed using the weighted average number of shares of common stock outstanding during the period. Diluted loss per share is computed using the weighted average number of common and potentially dilutive shares of common stock outstanding during the period. For the Company basic and diluted loss per share is the same as any exercise of options or warrants would be anti-dilutive. The Company currently has no stock dilutives. Earnings per share for the six months ended June 30, 2015 and 2014 have been calculated as follows:

		2015	2014
Numerator:	Net loss	$152,240	$521,946
Denominator:	Weighted average number of shares issued	714,228,571	122,190,832
Earnings (loss) per share		$(0.00)	$(0.00)

Income Taxes

The Company accounts for income taxes under the provisions of SFAS No. 109 'Accounting for Income Taxes'. SFAS No. 109 requires recognition of deferred income tax assets and liabilities for the expected future income tax consequences, based on enacted tax laws, of temporary differences between the financial reporting tax bases of assets and liabilities.

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NOTES TO FINANCIAL STATEMENTS

4. OTHER ASSETS

MMI
On July 1st 2014 the Company executed an agreement with a North Carolina based company (Medicated Markets International) who maintain ownership rights to a revenue generating medical marijuana grow-op located within the state of California. The Agreement called for a due diligence period which subsequently closed in January of 2015. The Company issued 200,000,000 restricted shares of common stock in escrow, valued at $20,000 and to be released on closing of the agreement. The Agreement closed on January 17, 2015 with no shares having yet been released from escrow until such time as an independent evaluation has been determined as requested by Easton Pharmaceuticals and as per agreement.

BMV / COMMON SENSE
On March 22, 2015, subsequently amended, the Company executed an agreement with BMV to acquire an equal 50% profit share from the sale of the VS-Sense diagnostic device in Mexico and additional territories for the payment of $227,532 ($175,000USD).
The Company further agreed to acquire an equal 50% profit share from the sale of various cancer related and other products from Biolyse Pharma, thru BMV, for Mexico and other territories. The Company has paid $83,465 ($60,000USD) for the rights and agreed to pay a further $65,000USD by July 27, 2015.

The Company further agreed to issue 50,000,000 restricted shares of common stock to BMV for the above rights.

5. CONSULTANTS FEES PAYABLE

Consultants are owed $100,000 for past work performed and payable to former directors / consultants of the Company. The balance owing has been converted to convertible promissory notes, is unsecured, non interest bearing.

6. DUE TO RELATED PARTIES AND OTHER LOANS PAYABLE

Amounts due to related parties and other loans payable are unsecured, bear no interest and are payable on demand.

7. COMMON STOCK

Prior to the rollback of its common stock implemented on April 30, 2009 the Company had a total of 115,499,179 shares issued and outstanding.
On April 30, 2009 the shareholders approved a consolidation of share capital on a 3000 old for 1 new share basis and a change of name to LAM Industries Inc. All shares issued in these financial statements have been adjusted to reflect the 3000:1 reverse split.

1) On July 30, 2009 the Company issued 36,000,000 shares of common stock to acquire the assets of Viorra Bio Medical, Inc. (closed on June 25, 2009) valued by management at $3,600, the par value of the shares.
2) On August 21, 2009 the Company issued 8,000,000 shares of common stock for the assets of Ixora Bio Medical valued by management at $546,145, the book value of Ixora.
3) On September 4, 2009 the Company issued 14,258,200 shares of the Company's common stock pursuant to the conversion of a Promissory note issued on June 11, 2006.

4) On November 2, 2009 the Company issued 14,258,210 shares of the Company's common stock pursuant to the conversion of a Promissory note issued on June 11, 2006.
5) On December 9, 2009 the Company issued 14,258,166 shares of the Company's common stock pursuant to the conversion of a Promissory note issued on June 11, 2006.
6) On August 15, 2011 the Company issued 1,000,000 shares of the Company's common stock for services rendered to the Company and fairly valued by both parties at $25,000.
7) On November 15, 2012 the Company issued 40,000,000 shares of common stock valued at $200,000 ($0.005 per share) to consultants. $50,000 was considered earned at December 31, 2012, $50,000 considered earned at December 31, 2013 and the remaining $100,000 is to be earned in equal instalments annually over the next two years.
8) During July and August of 2013 the Company issued 84,200,000 shares of common stock for cash of $169,995 received through regulation D offerings.
9) During October, November and December of 2013 the Company issued 231,900,000 shares of common stock for cash of $345,239 through regulation D offerings.
10) During January of 2014 the Company issued 140,287,003 shares of common stock for cash of $440,000 through Regulation D offerings.
11) On April 15, 2014 the Company issued 26,283,003 shares of common stock for cash of $257,000 through Regulation D offerings.
12) On May 6, 2014 the Company issued 20,000,000 rule 144 shares of common stock in settlement of aged debts totaling $135,000.
13) On June 4, 2014 the Company issued 20,000,000 rule 144 restricted shares of common stock to Carla Pepe (director) as per employment agreement dated November 2013.
14) On June 4, 2014 the Company issued 20,000,000 rule 144 restricted shares of common stock to John Adams (director) as per employment agreement dated June 2013.
15) On June 11, 2014 the Company issued 15,000,000 rule 144 shares of common stock in settlement of aged debts totaling $113,400.
16) On July 08, 2014 the Company issued 5,300,000 common shares in settlement of an account payable in the amount of $34,800.
17) During the fourth quarter ended December 31, 2014 the Company issued 31,428,571shares of common stock in settlement of $110,000 debt payable.
18) During the first quarter of 2015 and on March 3, the Company issued 200,000,000 common shares for a 40% interest in Medicated Markets International and, on January 23, issued 5,000,000 common shares to Nutrashop Global for a distribution agreement
19) On April 2, 2015 the Company issued 1,000,000 restricted shares to a John K. Easton towards an agreement dated April 2014.
20) On April 2, 2015 the Company issued 50,000,000 restricted shares to BMV Medica towards acquiring distribution rights for patented womans diagnostic tests acquired from a CommonSense Inc. of Israel for the country of Mexico and most of Latin America.

8. SUBSEQUENT EVENT

Subsequent to the June 30, 2015 quarter the Company incurred no events of a material nature outside of its normal business operations.

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(a Development Stage Company)
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MANAGEMENT DISCUSSION AND ANALYSIS

Product and Market Overview

For many years, lotions, creams, suspensions and solutions of various natural (herbal) and therapeutic (drug) substances have been applied to the skin. When it comes to treating pain, sexual dysfunction and other disease states that emanate from structures of the body below the skin, topical therapy is not effective unless the therapeutic agent can cross the outer layer of the skin (stratum corneum) which acts as a protective barrier.

This layer consists of numerous dead cells and cells in transition, which collectively forms an effective barrier to penetration of substances, such as bacteria, in the air or in water. Thus the stratum comeum plays an important role in protecting the body from invasion by harmful substances.

It is this same protective role, which has posed a major challenge over the years regarding devising a mechanism that can effectively permit the stratum comeum to allow therapeutic substances to be delivered to structures within the body.

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* scientists discovered that certain molecules called polymers possessed strong electrical charges which, when combined with other polymers of a specific electrical charge, are able to effectively help transport agents through the outer layers of the skin.

In addition, these molecules are able to attach or surround other molecules such as therapeutic molecules and carry them within a matrix through the outer layers of the skin Easton Pharmaceuticals *(formerly LAM)* scientists recognized that these discoveries would be of great significance in regard to the delivery of therapeutic agents.

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* research indicates that its proprietary technology is capable of combining in a matrix, in a novel manner, certain ingredients that are well established and generally regarded by the public, the regulatory authorities and pharmaceutical industry as safe “GRAS”, or (Generally Recognized As Safe).

When combined with other therapeutic ingredients, we believe that the VDM technology allows the delivery of greater amounts of therapeutic ingredients to the target area than may otherwise be possible.

All cosmetic and drug products are regulated in the United States by the FDA, and in other jurisdictions by various other regulatory authorities.

We believe Viorra’s stretch mark and scar product line currently in development would be considered a Class I device in the US, and may be less regulated in other jurisdictions. Class I devices are subject to “general controls”. This is the lowest level of FDA control of medical devices that focuses on basic factors such as quality regulation. In foreign countries our products may be regulated by regulatory authorities similar to the FDA, and each such foreign regulatory authority may impose its own regulations on us which can be different or more difficult and costly to comply with than FDA regulations.

We believe that the products we are developing will be classified as cosmetics or Class I medical devices. Products classified as cosmetics may be marketed and sold in the US without FDA approval. Drugs are not cosmetics and those, as well as OTC drugs, must be marketed following FDA regulations and/or approvals in the United States. Before human testing can begin with respect to a new drug in the United States, preclinical studies are conducted in laboratory animals to evaluate the potential efficacy and the safety of a product. Human clinical studies generally involve a three-phase process. The initial clinical evaluation, Phase I, consists of administering the product and testing for safe and tolerable dosage

levels. Phase II trials continue the evaluation of safety and determine the appropriate dosage for the product, identify possible side effects and risks in a larger group of subjects, and provide preliminary indications of efficacy. Phase III trials consist of testing for actual clinical efficacy within an expanded group of patients at geographically dispersed test sites.

We believe that our VDM technology, when used with prescription drugs, or with currently approved OTC drugs will be regulated as a new drug and will require approval by the FDA. Conversely, we believe that the VDM delivery technology, when used as a cosmetic can be marketed without prior approval.

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* has previously performed evaluations of a limited number of IPM/drug formulations, including formulations incorporating diclofenac and dimenhydrinate. Diclofenac is a non-steroidal anti-inflammatory medicine used in this formulation to help relieve some symptoms of arthritis, such as inflammation, swelling, stiffness, and joint pain. We have not performed any studies on the safety and efficacy of products containing these ingredients. Our preferred course for these formulations is to negotiate licensing agreements and/or joint ventures with larger pharmaceutical companies, which have the financial resources to fund the research and/or clinical trials necessary to complete the development of our products.

If in the future the results of any clinical trials involving these formulations are promising, we may then be in a position to negotiate licenses, which would generate sufficient revenue to allow EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* to exploit the VDM technology using a variety of other drugs. It should be emphasized that a number of risks may be associated with this approach. In addition, more clinical studies may be requested by a potential licensee before it is willing to enter into an agreement. Any further clinical studies, as defined by the FDA, will not be performed without partnering.

Our objective is to raise sufficient capital to enable us to sustain ongoing research, marketing and administrative overhead as well as to enable us to undertake the work necessary to obtain clearances to market and sell our products if required, and to license certain products to third parties.

We believe that the longer we are able to continue development and the clinical trials for certain products and thereby establish their safety and efficacy, the greater their value will be to a potential licensee given the reduced risk of failure. Consequently, we believe that the longer we retain sole ownership of those products the greater will be our bargaining position with prospective licensees and strategic alliance partners. Indeed, the industry places incrementally larger different values on drugs as they progress through the clinical trials required by the FDA.

We plan to market our products in any country where a suitable market exists and which has approved our products for sale.

The Company's current focus is to serve the healthcare market in the USA and Canada and we are in the process of entering Mexico, and select South American markets. We will continue to analyze and review our options to market and sell the Company's products in China. As resources become available the Company will continue to review opportunities in other countries and will enter these countries as appropriate.

Current Product Pipeline

The following section describes the history and future intentions of the products under current development by the Company

Female Sexual Arousal Dysfunction

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* first product, Viorra for women is the first product using EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* priority VDM technology and is designed primarily to address

the deficiencies in women experiencing FASD, which is often associated with post-menopausal problems that may inhibit their intimate relationships. Specifically, Viorra, using VDM technology acts to either eliminate or significantly minimize post-menopausal symptoms including vaginal dryness, pain during intercourse, while improving feeling and sensation. Management and industry professionals believe newly approved drugs from the FDA possess risky side effects with efficacy results just slightly better than placebo's. Viorra can safely treat these symptoms without any side effects other than a slight flushing and warming sensation for the first 5 to 10 minutes from application to the clitoral area.

Management believes that the VPM is a cosmetic and it is not pursuing any specific new chemical entity or other pharmaceutical drug claims for Viorra or VDM technology at this time. The product uses substances that have been approved and found safe by the regulatory authorities for many applications.

Future Products

The acquired Viorra VPM technology is planned to be incorporated into a broad pipeline of EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* products. The VDM gel can be safely used over large areas of skin, making it ideal for use as a cosmetic-based delivery system in various applications for the skin.

Cosmetics are a multi-billion dollar a year industry that do not require FDA approval prior to marketing, although cosmetics must be safe, contain appropriate cosmetic ingredients and be labeled properly. In addition to the primary market focus of adding in the treatment of FASD, the VDM technology is an ideal carrier of many active ingredients and supplements that may be useful in treating or as aids to treatment of a variety of skin conditions including but not limited: to scarring alleviation, wound healing, cellulite reduction reducing the severity of stretch marks, varicose veins, relief of general skin dryness, and moisturization. The VDM technology is appealing to users as a carrier of other active cosmetic ingredients particularly because it is quite viscous and contains non-staining and non-irritating ingredients.

OTC drug products marketed in the United States can make cosmetic claims as well as therapeutic claims and are intended to treat or prevent disease. Examples of such products include, but are not limited to, anti-dandruff shampoos; sunscreens; make-ups, moisturizers and skin care products that contain sunscreen, skin protectant or acne claims; products that make breath-freshening or whitening claims; antiperspirants that contain deodorant claims; and anti-microbial soaps. These products must comply with the FDA Monographs for OTC drugs products.

As a cosmeceutical, a combination of future OTC drug and cosmetic products, the Viorra proprietary matrix can be used for a variety of topical and other uses. These include use with certain antibiotic first aid products, antifungal drugs, dandruff, dermatitis and psoriasis control products, external analgesics, skin protectant-type products, such as for poison ivy and fever blisters and cold sores, first aid antiseptics, and anorectal products. Other products may also be developed from the VDM technology as determined by senior management, science team and board of directors based on an interdependent analysis of efficacy, development cost and market potential.

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* is currently reviewing the ability to manufacture its pipeline of products which encompasses the VDM proprietary matrix delivery system with certain contract manufacturing companies based in the USA. No studies have been performed regarding the new products although recent product safety and efficacy internal tests appear to be promising. EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* expects to incur costs associated with obtaining regulatory clearance prior to the introduction of these products to market. Such costs would include clinical trials/studies and consulting fees for a 510(k) application as a Class I medical device. Any application to the FDA will be submitted only when we have completed the clinical validation trials for the product.

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Government Regulation

All of the EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* products will be regulated in the United States under the Federal Food, Drug and Cosmetic Act (FD&C Act), the Public Health Service Act, and the laws of certain states. The FDA exercises regulatory control over drugs manufactured and/or sold in the United States, including those that are unapproved.

We believe that some of the products currently in the research and development pipeline will be subject to Class I or Class II medical devices while others will be able to marketed using cosmetic classifications as described by the FDA.

It is also possible that the proprietary VDM technology, when used with approved or unapproved prescription drugs or biologics, may be regulated as a combination unapproved new drug and medical device, in which case it would be subject both to medical device and new drug regulation. It is also possible that the use of the VDM technology with a monographed OTC drug could render the product an unapproved new drug, which would mean that the product is subject to new drug application approval requirements before marketing. We intend to seek out partners for any products which require new drug applications and will rely on our partners to pursue any regulatory application in regards to these products.

Brief descriptions of the FDA classifications are as follows:

Cosmetics

Cosmetics are generally the least regulated by the FDA compared to other products subject to the FD&C Act. The legal distinction between cosmetics and drugs is typically based on the intended use of the product, which is normally discerned from its label or labeling. Cosmetic products are those intended for cleansing, beautifying, promoting attractiveness, or altering appearance whereas drugs are those intended for diagnosis, cure, mitigation, treatment, or prevention of disease, or that affect the structure or any function of the body.

A claim suggesting that a product affects the body in some “physiological” way usually renders the product a drug - even if the effect is temporary. However, claims that a product affects appearance through a “physical” effect are generally considered cosmetic claims. The FDA’s rationale for this distinction is that a claim of a physiological effect is a claim that the product “affects” the structure or function of the body, which is one element of the statutory definition of a drug. A claim indicating that products effects are on the surface of the skin can be a cosmetic claim.

Although cosmetics may be marketed without FDA approval, in order to be marketed lawfully as a cosmetic, the product must be properly labeled and each ingredient and each finished cosmetic product must be adequately substantiated for safety prior to marketing.

Products which are not cosmetics, and are marketed in the United States, must either comply with specified OTC drug regulations (monographs) or be specifically approved through the New Drug Application (NDA) or biologic licensure process.

Medical Devices

The FDA may choose to regulate certain uses of the proprietary VDM technology as a medical device if it determines that the mechanism by which the VDM technology exerts its effects meets the defined requirements of a medical device. A medical device is a product that, among other requirements, does not achieve its primary intended purposes through chemical action within or on the human body and is not dependent upon being absorbed to achieve its primary intended purpose.

Medical device regulation is based on classification of the device into three classes, I, II, or III. The three classes are based on the degree of control necessary to assure the various types of devices are safe and effective. Device classification depends on the intended use of the device and also upon indications for use. In addition, classification is risk based, that is, the risk the device poses to the patient and/or the user is a major factor in the class it is assigned. Class I medical devices present minimal potential for harm to the user and are often simpler in design than Class II or Class III devices. 47% of medical devices fall under Class I category and 95% of these are exempt from the regulatory process. 43% of medical devices are Class II devices. Class III medical devices usually sustain or support life, are implanted, or present potential unreasonable risk of illness or injury. 10% of medical devices fall under Class III category.

Section 510(k) of the Food, Drug and Cosmetic Act requires those device manufacturers who must register to notify FDA their intent to market a medical device. This is known as Premarket Notification (PMN) or 510(k). Under 510(k), before a manufacturer can market a medical device in the United States, they must demonstrate to FDA's satisfaction that it is substantially equivalent (as safe and effective) to a device already on the market. If FDA rules the device is "substantially equivalent," the manufacturer can market the device. Only a small percentage of 510(k)'s require clinical data to support a marketing clearance by the Food and Drug Administration (FDA).

OTC Drugs

OTC drugs generally are defined as those drug products that can be used safely and effectively by the general public without seeking treatment by a physician or other health care professional. Thus, they do not require a prescription by a health care professional and are available at retail establishments. An OTC drug may be marketed without FDA approval if it conforms to a particular product monograph as described below and otherwise meets the requirements of the FD&C Act.

OTC monographs list active ingredients, their dosage levels, and uses (claims) for which OTC drug products are considered generally recognized as safe and effective for specific use and are not misbranded. If a particular level of an active ingredient and claim are allowed by a monograph, then a manufacturer may market a product containing that ingredient and bearing that claim without specific FDA approval, subject to compliance with other requirements of the monographs and FD&C Act, including labeling, drug registration and listing, and manufacturing obligations. With regard to labeling, the regulations require certain language for statement of identity, net contents, adequate directions for use, and name and address of the manufacturer, and their placement on the finished package, as well as additional warning statements when relevant to the product.
All OTC manufacturers must register their establishments with the FDA and submit to the FDA a list of products made within five days after beginning operations, as well as submit a list of products in commercial distribution. The FDA must inspect all registered establishments at least every two years and OTC drug products must be manufactured in accordance with CGMP regulations. If the FDA finds a violation of CGMPs, it may enjoin a company's operations, seize product, or criminally prosecute the manufacturer.

If a drug product does not conform to a particular OTC monograph, then typically a New Drug Application must be reviewed and approved by the FDA prior to marketing. Unlike prescription drugs, OTC drugs must bear adequate directions for safe and effective use and warnings against misuse.

New Drug Applications and Biologic License Applications

New drugs and products that are not cosmetics or devices and that are not covered by an OTC monograph must be approved by the FDA prior to marketing in the United States. Pre-clinical testing programs on animals, followed by three phases of clinical testing on humans, are typically required by the FDA in order to establish product safety and efficacy.

The first stage of evaluation, pre-clinical testing, must be conducted in animals. After safety has been demonstrated, the test results are submitted to the FDA (or a state regulatory agency) along with a request for authorization to conduct

clinical testing, which includes the protocol that will be followed in the initial human clinical evaluation. If the applicable regulatory authority does not object to the proposed study, the investigator can proceed with Phase I trials. Phase I trials consist of pharmacological studies on a relatively few number of human subjects under rigidly controlled conditions in order to establish lack of toxicity and a safe dosage range.

After Phase I testing is completed, one or more Phase II trials are conducted in a limited number of patients to continue to test the products safety and also its efficacy, i.e. its ability to treat or prevent a specific disease. If the results appear to warrant further studies, the data are submitted to the applicable regulatory authority along with the protocol for a Phase III trial. Phase III trials consist of extensive studies in large populations designed to assess the safety of the product and the most desirable dosage in the treatment or prevention of a specific disease. The results of the clinical trials for a new drug are submitted to the FDA as part of a New Drug Application (NDA).

Biological drugs are subject to Biologics License Applications (BLAs), not NDAs as are other drugs. Biological drugs are a subset of "drug products" distinguished by their manufacturing process (biological vs. chemical process). A biological drug is any virus, serum, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, or analogous product applicable to the prevention, treatment, or cure of diseases or injuries. They must be safe, pure and potent. Generic competition does not exist for biologics, as it does for other drugs. Biological drugs are generally subject to the same testing, manufacturing, distribution, marketing, labeling, advertising and other requirements for other drugs.

To the extent that all of the manufacturing process for a product is handled by an entity other than EASTON PHARMACEUTICALS, Inc. the manufacturing entity will be subject to inspections by the FDA and by other federal, state and local agencies and must comply with FDA GMP requirements. In complying with GMP regulations, manufacturers must continue to expend time, money and effort in the area of production, quality control and quality assurance to ensure full compliance.

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* may undertake itself, or through partners, extensive and costly clinical testing to assess the safety and efficacy of product derived in combination with the VDM technology. Failure to comply with FDA guidelines regulating such testing can result in delay, suspension or cancellation of testing, and refusal by the FDA to accept the results of the testing. In addition, the FDA may suspend clinical studies at any time if it concludes that the subjects or patients participating in trials are being exposed to unacceptable health risks. Further, there can be no assurance that human clinical testing will show any of our drug delivery systems to be safe or effective or that data derived from any testing will be suitable for submission to the FDA.

The clinical studies prior to seeking marketing clearance required by European regulatory authorities before our systems can be marketed in Western Europe are similar to those in the United States. First, appropriate pre-clinical laboratory and animal tests must be done, followed by submission of a clinical trial exemption or similar documentation before human clinical studies can be initiated. Upon completion of adequate and well-controlled clinical studies in humans that establish that the drug is safe and efficacious, regulatory approval of a Market Authorization Application must be obtained from the relevant regulatory authorities. As with the FDA review process, there are numerous risks associated with the Market Authorization Application review. Additional data may be requested by the regulatory agency reviewing the Market Authorization Application to demonstrate the contribution of a product component to the clinical safety and efficacy of a product, or to confirm the comparable performance of materials produced by a changed manufacturing process or at a changed manufacturing site.

The process of biologic and new drug development and regulatory approval or licensure requires substantial resources and many years.

There can be no assurance that regulatory approval will ever be obtained for other products being developed by us. Authorization for testing, approval for marketing of drugs, including biologics, by regulatory authorities of most foreign countries must also be obtained prior to initiation of clinical studies and marketing in those countries. The approval

process varies from country to country and the time period required in each foreign country to obtain approval may be longer or shorter than that required for regulatory approval in the United States.

There are no assurances that clinical trials conducted in foreign countries will be accepted by the FDA for approval in the United States. Product approval (or licensure in a foreign country) does not mean that the product will be approved or licensed by the FDA and there are no assurances that we will receive any approval or license by the FDA or any other governmental entity for the marketing of a drug product. Likewise, product approval by the FDA does not mean that the product will be approved or licensed by any foreign country.

Product Status

All of our other products are in various stages of development and testing. Viorra, the first female sexual enhancement product is the only product ready to be marketed and for sale upon finalization of marketing and clinical trials. The remaining products and the commercial sale of any of these products may not occur. As a result, we expect to incur additional losses for the foreseeable future. Our estimate of the costs associated with future research, development and clinical studies may be substantially lower than the actual costs of these activities. If our cost estimates are incorrect, we will need additional funding for our research, development and clinical efforts. Please see our risk factors that discuss our ability to pay the costs of completing our research and development, which can be found in the next paragraph. There can be no assurance that our products will prove to have any therapeutic or other value.

R**esearch and Development**

As part of our ongoing research and development program, we intend to develop and commercialize as many products as possible based on the proprietary VDM technology. Our long-range goal with Board of Directors' approval is to exploit other uses of its matrix delivery system to improve the therapeutic effects and efficacy of various products

Since inception, EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* has raised approximately $18 Million that it has used for research and development related to the L.A.M. IPM™ technology. EASTON PHARMACEUTICALS *(formerly LAM)* research and development expenditures do not include research and development expenses relating to any of the acquired IXORA's or VBMI's VDM system or other research and development expenditures related to other pipeline products acquired in the VBMI and IXORA asset acquisitions, or corporate expenses accrued in the acquired companies for on-going costs for, among other things: marketing expertise, professional consultants, accounting, regulatory fees, sales costs, and general corporate purposes for which arms length and non-arms-length individuals provided services to the companies in exchange for future consideration. Management estimates that approximately $2.7 million has been expended by Ixora and Viorra to develop and prepare for commercialization of the VDM technology prior to acquisition.

Manufacturers and Suppliers

EASTON PHARMACEUTICALS, Inc. *(formerly LAM)* will purchase its supplies of raw materials for the formulation of its all product from various independent supply companies.

Several vendors have been identified and these have been determined to be in compliance with any regulatory requirements for manufacture of our products; all future vendors will be chosen using established criteria for selecting quality vendors as accepted by our quality system infrastructure.

Competition

The pharmaceutical industry is highly competitive. We believe that competition for product sales is based primarily on brand awareness, price, availability and product efficacy. Our products may be subject to competition from alternate therapies during the patent protection period, if applicable, and thereafter from generic equivalents.

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Many of our competitors are large, well-established companies in the pharmaceutical, chemical, cosmetic and health care fields and may have greater resources than we do to devote to manufacturing, marketing, sales, research and development and acquisitions. Our competitors include Bristol-Myers Squibb, Johnson & Johnson, Smith & Nephew and others.

Patents and Trademarks

Prior to the current Board of Directors decision to abandon and suspend any further research and development or commercialization efforts for products based on the EASTON PHARMACEUTICALS, Inc. *(formerly LAM) L*.A.M. IPM ™ technology, in the fall of 2008, EASTON PHARMACEUTICALS, Inc. (formerly LAM) owned fifteen U.S. patents, nine foreign patents, five U.S. patent applications and numerous international patent applications designating over 100 foreign countries with claims relating to our sustained release delivery matrix system, systems containing drug preparations, uses of the systems for various treatment therapies and addiction therapeutic program. The patents were to expire between 2015 and 2018.

Results of Operations

Liquidity and Capital Resources:

The Company has increased its shareholders' deficit as a result of its efforts to increase its business activity. Cash outflow from operations for the six months ended June 30, 2015 was $(126,740) compared to an outflow of cash of $(104,282) in the comparative prior six months ended June 30, 2014. In the current period, the Company expended $455,115 cash for the rights to sell certain products in certain markets (expended $0 in the comparative prior period) from related parties leaving cash on hand at June 30, 2015 of $116,029 compared to cash on hand of $697,884 at December 31, 2014

The Company is dependent upon equity and loan financings to compensate for the continued outflow of cash anticipated from operations. The Company's continued operations are dependent upon obtaining revenues from outside sources or raising additional funds through debt or equity financing.

Profit & Loss:

Comparison of the three and six months ended June 30, 2015 with the three and six months ended June 30, 2014.

The net loss for the six months ended June 30, 2015 was $152,240 compared to a net loss of $521,946 for the six months ended June 30, 2014. The losses for the periods relate to expenses incurred in developing its product, administering the affairs of the Company and in the reorganization, financing and development of the Company's business. Included in the prior period loss is a management fee of $284,000 paid to Directors of the Company by the issuance of 40,000,000 shares of common stock. Since its reorganization the Company has generated nil revenues from sales.

The net loss for the three months ended June 30, 2015 was $71,149 compared to a net loss of $444,954 for the three months ended June 30, 2014. The losses for the current period relates to new product development expenses whereas the comparative period expenses relate to expenses incurred in administering the affairs of the Company and in the reorganization of the Company's business.

Cash Flow:

The Company had a working capital deficiency at June 30, 2015 of $(12,927) with cash of $116,029 which is deficient of current liabilities of $128,956. At December 31, 2014 the Company had working capital of $568,928.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

A. Date and State (or Jurisdiction) of Incorporation:

Incorporated in the State Of Delaware in July of 1998.

B. The issuer's primary and secondary SIC Codes;

2834 – Pharmaceutical Preparations

C. the issuer's fiscal year end date;

December 31st

D. principal products or services, and their markets;
See 6a.

LEGAL PROCEEDINGS

The Company is not party to any material legal proceedings or administrative actions but has initiated a lawsuit against Medicated Markets International and other associated parties for misrepresentation.

7) Describe the Issuer's Facilities

The company currently shares office space from which to conduct its day to day business affairs, located at Suite 200, 265 Rimrock Rd., North York, Ontario, M3J3C6. It does not own any plants or equipment

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

In December of 2009 John Easton was appointed Chairman and Director.

In December of 2009 Lee Hendelson was appointed Chief Financial Officer.

During the 3rd quarter of 2012, the company entered into a management restructuring and subsequently accepted the resignation of Mr. John K. Easton as CEO and Mr. Lee Hendelson as CFO.

Mr. John Adams accepted the position as Director, CEO and President
Mr. Walter Folinski assumed the position of CFO.

During the 3rd quarter of 2013, the company accepted the resignation of Walter Folinski as CFO

During the 3rd quarter of 2013, the company appointed Mrs. Carla Pepe to the board as Secretary / Treasurer and Director.
Subsequent to the Year ending Dec. 31, 2013, Mrs. Pepe was appointed as CEO / Director
Mr. John Adams was appointed as CFO / and remains a Director
Mr. Kent Deuters was appointed as consultant and acting COO

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Dr. Daniel Bagi, M.D. was appointed as Chief Operating Officer
During the Quarter Ending June 30, 2015, the company appointed Mr. Evan Karras as CEO / Treasurer / Director to the company in place of Carla Pepe who remains as a Director
During the Quarter Ending June 30, 2015, the company appointed Mr. Nunzio Valerie as President / CFO / Director to the Company replacing John Adams who subsequently resigned as a director to the company

B. **Legal/Disciplinary History**. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

C. **Beneficial Shareholders**. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

None

9) Third Party Providers

Below are the names, addresses, telephone numbers, and email addresses of each of the following outside providers that advise the Company on matters relating to operations, business development and disclosure:

BMV Medica S.A. de C.V. – Tel: 52-55-5596-5414
Dr. Daniel Bagi – email: info@eastonpharmaceuticalsinc.com
Vivacom Consulting – email: vivacom.consulting@aol.com, info@ eastonpharmaceuticalsinc.com

Legal Counsel
Name: Allen C. Tucci, Esq

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Firm: White and Williams
Address 1: 300 Delaware Avenue, Suite 1370, Wilmington, DE 19801

Accountant
Name: Piers Van Ziffle, CA
Address 1: Suite 200, 265 Rimrock Rd., North York, Ontario, Canada

Auditor
Name:

Investor Relations Consultant
Name: None
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.
Name: Ron Marzell Attorney At Law
Firm: Marzell Law
Address 1: Suite 200, 265 Rimrock Road, North York, Ontario

DEFAULTS UPON SENIOR SECURITIES

The Company is not in default upon any of its debts however it has payables and promissory notes due and outstanding, bear interest, are not secured.

OTHER INFORMATION

None

EXHIBITS

None

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ITEM IX. CERTIFICATIONS

I, Nunzio Valerie, certify that:

1. 1 have reviewed this annual disclosure statement of Easton Pharmaceuticals, Inc.*;*

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

By:	*/s/ Nunzio Valerie*	
Name:	Nunzio Valerie	
Title:	CFO	
Date:	June 30, 2015	

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I, Evan Karras, certify that:

1. 1 have reviewed this annual disclosure statement of Easton Pharmaceuticals, Inc.*;*

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

By:	*/s/ Evan Karras*	
Name:	Evan Karras	
Title:	CEO	
Date:	June 30, 2015	