Viratech Corp. and Subsidiary

Consolidated Financial Statements as of September 30, 2015 and December 31, 2014 and the Three Months and the Nine Months Ended September 30,2015 and 2014

VIRATECH CORP. AND SUBSIDIARY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

TABLE OF CONTENTS

	Page
Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014	2
Consolidated Statements of Operations for the Three Months and Nine Months Ended September 30, 2015 and 2014	3
Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2015 and 2014	4
Consolidated Statement of Stockholders' Equity for the Nine Months Ended September 30, 2015	5
Consolidated Notes to the Financial Statements	6-14

VIRATECH CORP. AND SUBSIDIARY
Consolidated Balance Sheets
September 30, 2015 and December 31, 2014

ASSETS

	September 30, 2015	December 31, 2014
Current Assets		
Cash	$ 4,442	$ 3,805
Total Current Assets	4,442	3,805
Other Assets		
Goodwill and Intangibles	6,404,000	6,404,000
Total Other Assets	6,404,000	6,404,000
Total Assets	$ 6,408,442	$ 6,407,805

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts payable and accrued expenses	$ 1,000	$ 100,000
Accounts payable and accrued expenses-Related parties	24,950	14,950
Judgement payable	40,000	300,000
Total Current Liabilities	65,950	414,950
Total Liabilities	65,950	414,950
Commitments and contingencies	-	-
Stockholder's Equity		
Preferred stock, 20,000,000 total shares authorized, $.0001 par value		
Preferred stock, Class A Convertible Preferred Stock		
2,000,000 shares designated, $.0001 par value 10 shares issued and outstanding at September 30, 2015 and December 31, 2014	-	-
Preferred stock, Class B Convertible Preferred Stock		
7,000,000 shares designated, $.0001 par value, 3,882,500 shares issued and outstanding at September 30, 2015 and December 31, 2014	388	388
Common stock, 2,000,000,000 shares authorized		
$.0001 par value, 754,143,750 shares issued and outstanding at September 30, 2015 and December 31, 2014	75,414	75,414
Additional paid-in capital	8,506,823	8,146,823
Retained (Deficit)	(2,240,133)	(2,229,770)
Total Stockholder's Equity	6,342,492	5,992,855
Total Liabilities and Stockholders' Equity	$ 6,408,442	$ 6,407,805

See Accompanying Notes

VIRATECH CORP. AND SUBSIDIARY
Consolidated Statements of Operations
For the Three and Nine Months Ended September 30, 2015 and 2014

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues	$ -	$ -	$ -	$ 10,000
Revenues-Related party	14,500	-	40,000	-
Total revenues	14,500	-	40,000	10,000
Operating Expenses				
General and administrative	14,416	18,474	50,363	37,272
	14,416	18,474	50,363	37,272
(Loss) before income taxes	84	(18,474)	(10,363)	(27,272)
Income taxes	-	-	-	-
Net (loss)	$ 84	$ (18,474)	$ (10,363)	$ (27,272)
(Loss) per share	$ 0.00	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average shares	754,143,750	753,843,750	754,143,750	753,843,750

See Accompanying Notes

VIRATECH CORP. AND SUBSIDIARY

Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2015 and 2014

	Nine Months Ended September 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	$ (10,363)	$ 1,504
Changes in assets and liabilities:		
Increase in accounts payable and accrued expenses	11,000	600
Net cash provided by (used in) operating activities	637	2,104
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock and contributed capital	-	-
Net cash provided by financing activities	-	-
Net Increase/(decrease) in cash	637	2,104
CASH AT BEGINNING PERIOD	3,805	653
CASH AT END OF PERIOD	$ 4,442	$ 2,757
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

See Accompanying Notes

VIRATECH CORP. AND SUBSIDIARY
Consolidated Statements of Stockholders' Equity
For the Nine Months Ended September 30, 2015

	Preferred Stock		Common Stock		Additional Paid-In	Retained	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	(Deficit)	Equity
Balance-January 1, 2015	3,882,510	$ 388	754,143,750	$ 75,414	$ 8,146,823	$ (2,229,770)	$ 5,992,855
Increase in additional paid-in capital from debt settlement	-	-	-	-	360,000	-	360,000
Net (loss) for the nine months ended September 30, 2015	-	-	-	-	-	(10,363)	(10,363)
Balance-September 30, 2015	3,882,510	$ 388	754,143,750	$ 75,414	$ 8,506,823	$ (2,240,133)	$ 6,342,492

See Accompanying Notes

VIRATECH CORP. AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2015 and December 31, 2014

NOTE 1 – Organization, History and Business Activity

Viratech Corp., formerly known as Imperia Entertainment, Soleil Film and Television, Inc. Ameridream Entertainment, Inc. and Mc Smoothie's, Inc. (the Company) was incorporated under the laws of the state of California as Acquisition Solutions on March 21, 2000. It has acquired an extensive library of intellectual property focused on cancer prevention, detection and treatment and runs a social networking website focused on cancer research.

NOTE 2 – Summary of Significant Accounting Policies

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Risk

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

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

Cash and Cash Equivalents

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

Principles of Consolidation

The consolidated financial statements include the accounts of Viratech Corp and its subsidiary Cancer.im. All intercompany transactions are eliminated in consolidation.

Fair Value of Financial Instruments

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

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

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

The fair value of the Company's debt as of September 30, 2015 and December 31, 2014 approximated fair value at those times.

Fair value of financial instruments: The carrying amounts of financial instruments, including cash and cash equivalents, short-term investments, accounts payable, accrued expenses and notes payables approximated fair value as of September 30, 2015 and December 31, 2014 because of the relative short term nature of these instruments. At September 30, 2015 and December 31, 2014, the fair value of the Company's debt approximates carrying value.

Goodwill and other indefinite-lived intangibles

The Company records the excess of purchase price over the fair value of the identifiable net assets acquired as goodwill and other indefinite-lived intangibles. The FASB standard on goodwill and other intangible assets, prescribes a two-step process for impairment testing of goodwill and indefinite-lived intangibles, which is performed annually, as well as when an event triggering impairment may have occurred. The first step tests for impairment, while the second step, if necessary, measures the impairment.

Shares for Services and Other Assets

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

Intangibles with Finite Lives

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

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

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

Revenue Recognition

The Company recognizes revenue in accordance with the Securities and Exchange Commission Staff Accounting Bulletin (SAB) number 104, which states that revenues are generally recognized when it is realized and earned. Specifically, the Company recognizes revenue when the product is delivered and accepted by the customer. Revenues are earned from sales of the Company's intellectual property and services and advertising on its social network platform.

Income Taxes

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

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

Segments

The Company operates in one business segment, namely the business of maintaining its intellectual property and running its social networking platform.

Loss Per Share

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

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

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

For the periods ended September 30, 2015 and December 31, 2014, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share. There were no potentially dilutive securities as of September 30, 2015 and December 31, 2014.

Recent Accounting Pronouncements

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

Reclassifications

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

NOTE 3 – Financial Condition and Going Concern

Viratech's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Viratech has incurred net losses through September 30, 2015 in the amount of $2,240,133. This factor raises doubt as to Viratech's ability to obtain debt and/or equity financing and achieve profitable operations.

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

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

NOTE 4 – Impairment of Intangible Assets

The Company's current management performed a thorough investigation of the assets and liabilities of the Company. As a result of this investigation, they have been unable to determine the appraised, depreciated value of the Company's film library. In addition, the Company determined that the value of its intellectual property had declined. As a result of these findings the Company recorded a total loss on impairment as of December 31, 2012 of $723,932.

NOTE 5 – Income Taxes

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

At the adoption date of January 1, 2007, we had no unrecognized tax benefit, which would affect the effective tax rate if recognized. There has been no significant change in the unrecognized tax benefit during the nine months ended September 30, 2015.

We classify interest and penalties arising from the underpayment of income taxes in the statement of income under general and administrative expenses. As of September 30, 2015, we had no accrued interest or penalties related to uncertain tax positions. The tax years 2014, 2013 and 2012 federal return remains open to examination.

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

The provision (benefit) for income taxes for the nine months ended September 30, 2015 and the year ended December 31, 2014 consists of the following:

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

Net deferred tax assets consist of the following components as of September 30, 2015 and December 31, 2014:

	2015	2014
Deferred tax assets:		
Operating Loss	$761,645	$758,122
Deferred tax liabilities:	-	-
Valuation allowance	(761,645)	(758,122)
Net deferred tax asset	$ -	$ -

The income tax provision differs from the amount of income tax determined by applying the U.S. federal and state income tax rate of 34% to pretax income from continuing operations for the nine months ended September 30, 2015 and the year ended December 31, 2014.

NOTE 6 – Common Stock Transactions

During the year ended December 31, 2013, the Company issued 3,244,200 shares of common stock for total cash proceeds of $117,500. Additionally, $2,000 due to a shareholder was treated as additional paid-in capital.

During the year ended December 31, 2013, the Company issued 310,000 shares of common stock to certain consultants for services. Shares were valued at $.025 to $0.10, the closing price on the date of grant, for total expense of $21,400.

During the year ended December 31, 2013, the Company issued 1,959,000 shares of common stock to its shareholders per the terms of a lock up agreement in which the shareholders agreed not to transfer their ownership shares for a specified time period. All shares were valued at $0.10, as determined by management.

During the year ended December 31, 2013, the Company issued 21,500,000 shares of common stock for its acquisition of Cancer.im. Shares were valued at $0.29, the price on the day the merger was authorized.

During the year ended December 31, 2012, the Company issued 8,449,200 for total cash proceeds of $161,959, $2,500 of which was collected in January 2013.

During the year ended December 31, 2014, the Company issued 3,000 shares of common stock for total cash proceeds of $3,000.

NOTE 7 – Preferred Stock

Preferred Stock

The Company is authorized to issue 20,000,000 shares of preferred stock as described below:

	Total Series Authorized	Stated Value	Voting	Annual Dividends per Share	Convertible
Series A	2,000,000	$.0001	Yes	As per common stock	Yes
Series B	7,000,000	$.0001	Yes	As per common stock	Yes

NOTE 8 – Acquisition and Goodwill

On January 15, 2013, the Company finalized the acquisition merger of Cancer.im, Inc. in exchange for 21,500,000 shares of Viratech restricted common stock. Cancer.im, Inc. owns and operates http://cancer.im, the world's first experienced-based social network resource site for cancer patients, survivors, advocates, and volunteers. Because the Company has not yet obtained an independent third party fair valuation of the Concer.im website, the sole asset acquired, the full value of the issued stock of $6,235,000 has been recorded as goodwill.

NOTE 9 – Settlement of Debt from Prior Activities

The Company had liabilities of a total of $400,000 from prior activities. The Company settled this obligation for a non-interest bearing note of $40,000, payable in monthly installments of $3,000 until fully paid. The relief of this obligation has been recorded as a $360,000 increase of additional paid-in capital.

NOTE 10 – Related Party Transactions

Common stock

On December 18, 2012, the Company issued 50,000 shares of common stock to its newly appointed VP of Business Development. The shares were valued at $0.33, the closing market price of the stock on the day of grant, for a total expense of $16,500.

Marketing and Consulting Agreement

The Company entered into an agreement with the CEO and Director of the Company to provide marketing and consulting on his books, articles and diagnostic technologies. This includes press releases, consulting, writing, marketing and recommendations on such works. To date, the company has been paid $81,500 for these services.

NOTE 11 – Material Contract

The Company has negotiated to receive 15,000,000 shares of Newswire.net for the licensing of certain patents and other intellectual property it owns. No value has been set on this contract because Newswire is a private company and the Company has no means to value the stock received.

NOTE 12 – Subsequent Events

In accordance with ASC 855-10, the Company has analyzed its operations subsequent to September 30, 2015 through the date these financial statements were issued and has determined that it does not have any material subsequent events to disclose in these financial statement other than the events described above.