

GOLDEN GRAIL TECHNOLOGY CORP

FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

GOLDEN GRAIL TECHNOLOGY CORP

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FINANCIAL STATEMENTS

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GOLDEN GRAIL TECHNOLOGY CORP.CONDENSED BALANCE SHEETS
(UNAUDITED - Prepared by Management)

	September 30, 2015	December 31, 2014 (Restated)
Assets		
Current assets:		
Cash	\$ 76	\$ 61,854
Total current assets	76	61,854
Intangible assets	32,130	27,883
Total assets	<u>\$ 32,206</u>	<u>\$ 89,737</u>
Liabilities and deficiency in stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 176,485	\$ 168,376
Accrued interest	56,314	21,289
Accrued preferred dividends	677,359	639,109
Loans payable	6,200	6,200
Notes payable	330,000	100,000
Total current liabilities	1,246,358	934,974
Note payable, long term	350,000	350,000
Total liabilities	<u>1,596,358</u>	<u>1,284,974</u>
Deficiency in stockholders' equity:		
Preferred stock, Undesignated, par value \$.001 per share; 5,000,000 shares authorized, none issued and outstanding	-	-
Preferred stock, Series A, par value \$.001 per share; 4,000,000 shares authorized, none issued and outstanding	-	-
Preferred stock, Series B, par value \$.001 per share; 1,000,000 shares authorized, 425,000 shares issued and outstanding, respectively	425	425
Common stock, par value \$.001 per share; 250,000,000 shares authorized, 35,624,100 shares issued and outstanding	35,624	35,624
Additional paid-in capital	1,506,559	982,309
Accumulated deficit	<u>(3,106,760)</u>	<u>(2,213,595)</u>
Total deficiency in stockholders' equity	<u>(1,564,152)</u>	<u>(1,195,237)</u>
Total liabilities and deficiency in stockholders' equity	<u>\$ 32,206</u>	<u>\$ 89,737</u>

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

GOLDEN GRAIL TECHNOLOGY CORP.CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED - Prepared by Management)

	Three Months ended September 30,		Nine Months ended September 30,	
	2015	2014	2015	2014
		(Restated)		(Restated)
Sales	\$ 2,167	\$ 213	\$ 58,461	\$ 213
Cost of sales	<u>1,202</u>	<u>-</u>	<u>36,336</u>	<u>-</u>
Gross profit	965	213	22,125	213
Operating expenses	<u>227,290</u>	<u>340,844</u>	<u>880,265</u>	<u>355,561</u>
Loss from operations	(226,325)	(340,631)	(858,140)	(355,348)
Interest expense	<u>(14,696)</u>	<u>(2,500)</u>	<u>(35,025)</u>	<u>(6,500)</u>
Loss before income taxes	(241,021)	(343,131)	(893,165)	(361,848)
Provision for income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	(241,021)	(343,131)	(893,165)	(361,848)
Preferred dividend	<u>(12,750)</u>	<u>(26,359)</u>	<u>(38,250)</u>	<u>(86,359)</u>
Net loss attributable to common shareholders	<u>(253,771)</u>	<u>(369,490)</u>	<u>(931,415)</u>	<u>(448,207)</u>
Net loss per basic and diluted share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>
Weighted average shares outstanding, basic and diluted	<u>25,624,100</u>	<u>25,074,100</u>	<u>25,624,100</u>	<u>23,913,844</u>

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

GOLDEN GRAIL TECHNOLOGY CORP.CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED - Prepared by Management)

	Nine Months ended September 30, 2015	2014 (Restated)
Cash flows from operating activities:		
Net loss	\$ (893,165)	\$ (361,848)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock based compensation	562,500	62,500
Amortization of prepaid stock based compensation	-	93,750
Change in assets and liabilities:		
Prepaid expense	-	(273,750)
Accounts payable and accrued expenses	43,134	321,500
Cash used by operating activities	<u>(287,531)</u>	<u>(157,848)</u>
Cash flows from investing activities:		
Cash paid for intangible assets	<u>(4,247)</u>	<u>(23,539)</u>
Cash used by investing activities	<u>(4,247)</u>	<u>(23,539)</u>
Cash flows from financing activities:		
Proceeds from notes	<u>230,000</u>	<u>150,000</u>
Cash provided by financing activities	<u>230,000</u>	<u>150,000</u>
Net decrease in cash	(61,778)	(31,387)
Cash, beginning of period	61,854	75,841
Cash, end of period	<u><u>\$ 76</u></u>	<u><u>\$ 44,454</u></u>
Supplemental Schedule of Cash Flow Information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Noncash financial activities:		
Common stock issued for prepaid fees	\$ -	\$ 187,500

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

Golden Grail Technology Corp.
Notes to Financial Statements
September 30, 2015 and 2014
(Unaudited)

Note 1 - Nature of Operations and Going Concern

Nature of Operations

Golden Grail Technology Corp. ("Golden Grail" the "Company", "we", "us", "our") was incorporated in the State of Nevada on December 3, 1985 as Intermountain Capital, Inc. The Company has changed names a number of times since its incorporation and became Golden Grail Technology Corp. on November 6, 2014.

Golden Grail previously operated in the oil and gas industry and ceased those operations in 2009. The Company is currently focused on developing high end eCommerce sites with an efficient use of technology, people and capital. The Company launched its first eCommerce site in the third quarter of 2014, second site in the fourth quarter of 2014 and third site in the first quarter of 2015. The Company is involved in ongoing discussions with potential partners in a variety of product sectors which include: Apparel, Health & Beauty, Personal Care, Gourmet Food, and Consumer Electronics.

The first technology business launched was an eCommerce site focused on high quality jewelry. The name of this website is www.bandssofaror.com. The Bands of Valor concept was formed in early 2014 and the site was launched in the third quarter of 2014. Bands of Valor is a company that honors those who serve through the form of jewelry. In the second quarter of 2015 the Company received notice that the supplier of the NYPD and FDNY licensed jewelry sold through www.bandssofaror.com would no longer be offering the Company its products for sale. The Company is sourcing a new supplier of products that revolves around first responders (fire, police, EMS).

The next business that was introduced is based on innovations in the fragrance industry. The site, www.aireomatic.com was launched at the end of the fourth quarter of 2014. Aireomatic is a site that brings innovative fragrance options to your everyday life. We offer an array of products to suit each individual's unique needs. The fragrance industry has come a long way and there are many options available.

The third eCommerce Site, www.cetoswim.com was launched in the first quarter of 2015. The site offers a wide variety of fashionable and flattering Missy, Plus and Full Figured Swimwear by designer Chuck Handy. Our goal is to help you feel beautiful and confident at the pool or beach. Our assortment of Swim by Chuck Handy tankinis and one-piece swimsuits are available in sizes 8-24W and comes with a coordinating cover-up.

Basis of Presentation

The accompanying condensed financial statements are unaudited. The unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading.

These interim financial statements as of and for the three and nine months ended September 30, 2015 and 2014 are unaudited; however, in the opinion of management, such statements include all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position, results of operations and cash flows of the Company for the periods presented. The results for the three and nine months ended September 30, 2015 are not necessarily indicative of the results to be expected for the year

ending December 31, 2015 or for any future period. All references to September 30, 2015 and 2014 in these footnotes are unaudited.

These unaudited condensed financial statements should be read in conjunction with our unaudited financial statements and the notes thereto for the year ended December 31, 2014, included in the Company's annual report filed with the OTC Market on March 31, 2015.

The condensed balance sheet as of December 31, 2014 has been derived from the unaudited financial statements at that date but do not include all disclosures required by the accounting principles generally accepted in the United States of America.

Restatement

The 2014 financial statements have been restated to reflect the capitalization of website development costs as intangible assets. These costs had previously been charged to expense as incurred. As a result of the restatement, intangible assets at December 31, 2014 increased by \$27,883 and accumulated deficit decreased by the same amount. For the three and nine months ended September 30, 2014, operating expenses decreased by \$12,375 and \$23,539, respectively, and net loss decreased by the same amounts. For the nine months ended September 30, 2014, cash used by operating activities decreased by \$23,539 and cash used by investing activities increased by the same amount.

Going Concern

The accompanying unaudited condensed financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company currently has limited operating activities. Additionally, the Company has negative cash flows from continuing operations and has a working capital deficit of \$1,246,282 at September 30, 2015. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue existence is dependent upon commencing its planned operations, management's ability to develop and achieve profitable operations and/or upon obtaining additional financing to carry out its planned business. However, there can be no assurance that these arrangements will be sufficient to fund its ongoing capital expenditures, working capital, and other cash requirements. The outcome of these matters cannot be predicted at this time.

There can be no assurance that any additional financings will be available to the Company on satisfactory terms and conditions, if at all. In the event we are unable to continue as a going concern, we may elect or be required to seek protection from our creditors by filing a voluntary petition in bankruptcy or may be subject to an involuntary petition in bankruptcy. To date, management has not considered this alternative, nor does management view it as a likely occurrence.

The accompanying unaudited condensed financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

Note 2 - Summary of Significant Accounting Policies

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue when the following criteria have been met: persuasive evidence of an arrangement exists, no significant Company obligations remain, collection of the related receivable is reasonably assured, and the fees are fixed or determinable.

Basic and diluted loss per share

We utilize ASC 260, "Earnings Per Share" for calculating the basic and diluted loss per share. In accordance with ASC 260, the basic and diluted loss per share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted net loss per share is computed similar to basic loss per share except that the denominator is adjusted for the potential dilution that could occur if stock options, warrants, and other convertible securities were exercised or converted into common stock. Potentially dilutive securities are not included in the calculation of the diluted loss per share if their effect would be anti-dilutive. The Company has 179,719,600 and 5,533,333 common stock equivalents at September 30, 2015 and 2014, respectively. For the three and nine month periods ended September 30, 2015 and 2014 these potential shares were excluded from the shares used to calculate diluted earnings per share as their inclusion would reduce net loss per share.

Fair value of financial instruments

Our short-term financial instruments, including cash, accounts payable and notes payable, consist primarily of instruments without extended maturities, the fair value of which, based on management's estimates, reasonably approximate their book value.

Income taxes

The Company utilizes ASC 740 "Income Taxes" which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes demand deposits, saving accounts and money market accounts. The Company considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash and cash equivalents.

Intangible assets

The Company's intangible assets consist of website development costs. The website development costs are considered to have an indefinite life. The Company employs the non-amortization approach to account for intangible assets having indefinite lives. Under the non-amortization approach, intangible assets having indefinite lives are not amortized into the results of operations, but instead are reviewed annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, to assess whether their fair value exceeds their carrying value.

Recently Issued Accounting Standards

Recent accounting pronouncements issued by the FASB and the SEC did not, or are not believed by management to have a material impact on the Company's present or future financial statements.

Note 3 - Stockholders' Equity

Preferred stock:

The Company is authorized to issue 10,000,000 shares of its preferred stock, with par value of \$0.001 per share. The Company has designated 4,000,000 shares of preferred stock as Series A, and 1,000,000 shares of preferred stock as Series B. There are 5,000,000 shares of preferred stock that remain undesignated.

Series A Preferred Stock

The Company has designated 4,000,000 shares of preferred stock as Series A preferred stock. There are no shares of Series A preferred stock issued and outstanding. The Series A preferred shares have a liquidation value of \$1.00 per share. They have the right to receive a quarterly dividend equal to 40% of the quarterly net income of the Company, but not less than \$0.0015 per share. The dividend is to be paid in cash or common shares on the Company, at the option of the holder. The shares are convertible in at least 1,000 shares increments, each increment representing 10,000 shares of common stock. On the fifth anniversary of issuance, all unconverted shares of Series A preferred stock will automatically convert into common shares.

Series B Preferred Stock

The Company has designated 1,000,000 shares of preferred stock as Series B preferred stock. There are 425,000 shares of Series B preferred stock issued and outstanding at September 30, 2015 and December 31, 2014, respectively. The Series B shares were issued in 2009. The Series B preferred shares have a liquidation value of \$4.00 per share. They have the right to receive a quarterly dividend equal to \$0.03 per share. The dividend is to be paid in cash or common shares on the Company, at the option of the holder. The shares are convertible in at least 1,000 shares increments, each increment representing 4,000 shares of common stock. On the fifth anniversary of issuance, all unconverted shares of Series B preferred stock were to automatically convert into common shares.

On September 19, 2014 the holders of the Series B preferred stock acknowledged that the preferred shares were not automatically converted into common stock on the fifth anniversary of issue and have waived the requirement for such automatic conversion. The designations of the Series A and Series B preferred stock have been amended to remove the automatic conversion features and to remove the option for the holder to receive payment of dividends in common stock.

Common stock:

The Company is authorized to issue 250,000,000 shares of its common stock, with par value of \$0.001 per share. As of September 30, 2015 and December 31, 2014 there were 35,624,100 shares of common stock issued and outstanding, respectively.

During 2014 the Company issued a stock grant to an employee in the amount of 10,000,000 shares of common stock, valued at \$1,500,000. The grant vests upon the two year anniversary, on September 1, 2016. The expense will be recorded over that two year period. We have recorded an expense of \$187,500 and \$562,500 during the three and nine months ended September 30, 2015, respectively.

Note 4-Notes Payable

February 2013 Note

On February 8, 2013, the Company entered into a Securities Purchase Agreement with IBC Funds, LLC ("IBC") providing for the sale by the Company to IBC of an 8% convertible debenture in the principal amount of \$100,000. The debenture originally matured on February 7, 2014 and bears an interest rate of 8% per annum, payable on the Maturity Date. IBC may convert, after six months, the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price per share equal to the average of the closing price of the Common Stock during the five (5) trading days immediately preceding the date of conversion as quoted by Bloomberg, LP, but not less than \$0.10 per share.

With the exception of the shares that the Company is obligated to issue to previous investors, for as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to customary carve outs, including restricted shares granted to officers, and directors and consultants.

The debenture was not paid at maturity and the Company was in default on the note. On September 18, 2014 the holder waived the default provisions, including the default interest rate, and the maturity date was extended to December 18, 2014. Additionally, the conversion price was amended to be 50% of the lowest price traded during the last 10 trading days immediately preceding a Notice of Conversion.

On December 16, 2014 the note was amended to extend the maturity date to May 18, 2015. On June 3, 2015 the note was amended to extend the maturity date of December 31, 2015.

September 2014 Note

On September 16, 2014, the Company entered into a Securities Purchase Agreement with IBC Equity Holdings, Inc. ("IBC Equity") providing for the sale by the Company to IBC Equity of an 8% convertible debenture in the principal amount of \$150,000. The debenture matures on September 16, 2017 and bears an interest rate of 8% per annum, payable annually. IBC Equity may convert the outstanding principal and accrued interest on the debenture into shares of the Company's common stock at a conversion price per share equal to 40% of lowest closing bid price of the common stock during the twenty (20) trading days immediately preceding the date of conversion as quoted by Bloomberg, LP.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

November 2014 Note

On November 4, 2014, the Company entered into a Securities Purchase Agreement with IBC Capital Group, Inc. ("IBC Capital") providing for the sale by the Company to IBC Capital of an 8% convertible debenture in the principal amount of \$200,000. The debenture matures on November 4, 2017 and bears an interest rate of 8% per annum, payable on the Maturity Date. IBC may convert, after six months, the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

April 2015 Note

On April 7, 2015, the Company entered into a Securities Purchase Agreement with IBC Funds, LLC providing for the sale by the Company to IBC of a 10% convertible debenture in the principal amount of \$145,000. The debenture matures on April 6, 2016 and bears an interest rate of 10% per annum, payable annually. IBC may convert, after six months, the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a

conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

May 2015 Note

On May 21, 2015, the Company entered into a Securities Purchase Agreement with IBC Funds, LLC providing for the sale by the Company to IBC of a 10% convertible debenture in the principal amount of up to \$100,000. The debenture matures on May 21, 2016 and bears an interest rate of 10% per annum, payable annually. IBC may convert, after six months, the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days. We have received \$85,000 pursuant to this note at September 30, 2015.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

Note 5 - Income Taxes

The Company utilizes ASC 740 "Income Taxes", which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Since the Company has incurred annual losses since inception, there has been no income tax expense or liability. The Company has provided a 100% valuation allowance for any deferred tax benefits resulting from net operating loss carryovers due to our limited operating history. In addressing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are deductible.

The Company has not filed any of its tax returns through December 31, 2014.

The provisions of ASC 740 require companies to recognize in their financial statements the impact of a tax position if that position is more likely than not to be sustained upon audit, based upon the technical merits of the position. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure.

Management does not believe that the Company has any material uncertain tax positions requiring recognition or measurement in accordance with the provisions of ASC 740. Accordingly, the adoption of these provisions of ASC 740 did not have a material effect on the Company's financial statements. The Company's policy is to record interest and penalties on uncertain tax positions, if any, as income tax expense.

All tax years for the Company remain subject to future examinations by the applicable taxing authorities.

NOTE 6 - SUBSEQUENT EVENTS

During the month of October 2015 the Company received funds, aggregating \$15,000, pursuant to a Securities Purchase Agreement originally entered into with IBC Funds, LLC ("IBC ") dated May 21, 2015 in which the Company sold to IBC an 10% convertible debenture in the principal amount of up to \$100,000.

On November 16, 2015, the Company entered into a Securities Purchase Agreement with Rockwell Capital Partners, Inc. providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of up to \$500,000. The debenture matures on November 16, 2017 and bears an interest rate of 10% per annum, payable annually. Rockwell may convert, after six months, the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days. We have received \$50,000 pursuant to this note.