

**COMPASS BIOTECHNOLOGIES INC.**  
**(A Nevada Corporation)**  
**QUARTERLY REPORT**  
*For the period ending October 31<sup>st</sup>, 2012*

**OTC Pink Basic Disclosure Guidelines**

- 1) **Name of the Issuer and its predecessors (if any):**  
Compass Biotechnologies Inc., prior to March 29, 2011 the name used by the predecessor entities was Cyplasin Biomedical Ltd.
- 2) **Address of the issuer's principal executive offices:**  
Company Headquarters  
8904-60<sup>th</sup> Avenue, Edmonton, Alberta, Canada, T6E 6A6  
Telephone: (972) 535-8931  
Email: [compassbiotechnologies@gmail.com](mailto:compassbiotechnologies@gmail.com)  
Contact: Richard Shykora
- 3) **Security Information**  
Trading Symbol: COBI  
Common Stock outstanding: 525,368,948  
Restricted Common Stock: 268,889,264  
CUSIP Number: 20452Q103  
Par or stated value: Common \$0.0001  
Total Shares Authorized: 2,000,000,000  
Transfer Agent:  
Pacific Stock Transfer Inc., 6725 Via Austi Parkway, Suite 300, Las Vegas, NV 89119  
Telephone: (702) 361-3033  
Is the transfer Agent registered under the Exchange Act: Yes  
List any restrictions on the transfer of securities: 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 last 12 months: None
- 4) **Issuance History**
  - On August 14, 2012, 6,000,000 shares were issued to a third party non-affiliate as a result of a debt assignment and subsequent conversion per the company's obligations to the note holder.
  - On August 24, 2012, 19,200,000 shares were issued to a third party non-affiliate as a result of a debt assignment and subsequent conversion per the company's obligations to the note holder.
  - On August 24, 2012, 20,000,000 shares were issued to a third party non-affiliate as a result of a debt assignment and subsequent conversion per the company's obligations to the note holder.
  - On September 24, 2012, 6,000,000 shares were issued to a third party non-affiliate as a result of a debt assignment and subsequent conversion per the company's obligations to the note holder.

ACCOUNTANT'S COMPILATION REPORT

To Management  
Compass Biotechnologies Inc.  
Carson City, NV

We have compiled the accompanying balance sheet of Compass Biotechnologies Inc. (a development stage company) as of October 31, 2012 and January 31, 2012, and the related statement of operations for the three and nine months then ended and for the period from February 15, 2007 (inception) to October 31, 2012. We have compiled the statement of stockholders' equity for the period from February 1, 2011 through October 31, 2012. We have compiled the statement of cash flows for the nine months ended October 31, 2012 and for the period from February 15, 2007 (inception) to October 31, 2012. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

*Cox CPA Services, Inc.*

October 27, 2014

**Compass Biotechnologies Inc. (formerly Cyplasin BioMedical, Ltd.)**  
(A Development Stage Company)  
Consolidated Balance Sheets

|                                                                                                                                    | October 31,<br>2012<br>\$ | January 31,<br>2012<br>\$ |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>ASSETS</b>                                                                                                                      |                           |                           |
| Current Assets                                                                                                                     |                           |                           |
| Cash                                                                                                                               | —                         | 3,355                     |
| Receivable                                                                                                                         | —                         | 45,237                    |
| Prepays                                                                                                                            | —                         | 11,686                    |
| Promissory note receivable                                                                                                         | —                         | 3,243                     |
| Total Current Assets                                                                                                               | —                         | 63,521                    |
| Equipment, <i>net</i>                                                                                                              | —                         | 324                       |
| Licenses, <i>net of \$139,850 accumulated amortization</i>                                                                         | —                         | 550,162                   |
| <b>Total Assets</b>                                                                                                                | <b>—</b>                  | <b>614,007</b>            |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                        |                           |                           |
| Current Liabilities                                                                                                                |                           |                           |
| Bank overdraft                                                                                                                     | 15                        | —                         |
| Accounts payable and accrued liabilities                                                                                           | 6,783                     | 459,127                   |
| Convertible debt                                                                                                                   | 61,725                    | —                         |
| Promissory notes                                                                                                                   | 11,975                    | 171,713                   |
| Total Liabilities                                                                                                                  | 80,498                    | 630,840                   |
| Stockholders' Equity                                                                                                               |                           |                           |
| Common stock (Note 5)                                                                                                              |                           |                           |
| Authorized: 2,000,000,000 shares of common stock, par value \$0.0001 and 100,000,000 shares of preferred stock, par value \$0.0001 |                           |                           |
| Issued and outstanding: 525,368,948 shares (January 31, 2012 – 53,100,631)                                                         | 52,537                    | 53,101                    |
| Additional paid-in capital                                                                                                         | 4,947,689                 | 4,728,114                 |
| Accumulated other comprehensive income                                                                                             | —                         | 20,585                    |
| Obligation to issue shares                                                                                                         | —                         | 50,000                    |
| Subscriptions receivable                                                                                                           | —                         | (10,200)                  |
| Subscriptions received                                                                                                             | —                         | 16,747                    |
| Retained earnings (deficit)                                                                                                        | —                         | (54,275)                  |
| Deficit accumulated during the development stage                                                                                   | (5,080,724)               | (4,820,905)               |
| Total Stockholders' Equity (Deficit)                                                                                               | (80,498)                  | (16,833)                  |
| <b>Total Liabilities and Stockholders' Equity (Deficit)</b>                                                                        | <b>—</b>                  | <b>614,007</b>            |

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

**Compass Biotechnologies Inc. (formerly Cyplasin BioMedical, Ltd.)**  
(A Development Stage Company)  
Consolidated Statements of Operations

|                                                            | Accumulated From<br>February 15, 2007<br>(Date of reporting as<br>a development stage<br>company)<br>to<br>October 31,<br>2012<br>\$ | Nine<br>Months<br>Ended<br>October 31,<br>2012<br>\$ | Three<br>Months<br>Ended<br>October 31,<br>2012<br>\$ |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------|
| Operating Expenses                                         |                                                                                                                                      |                                                      |                                                       |
| Amortization                                               | 191,909                                                                                                                              | 51,784                                               | 17,250                                                |
| General and administrative                                 | 3,256,665                                                                                                                            | 99,693                                               | 6,116                                                 |
| Management fees                                            | 453,557                                                                                                                              | 8,369                                                | -                                                     |
| Research and development                                   | 1,074,912                                                                                                                            | -                                                    | -                                                     |
| Travel                                                     | 18,195                                                                                                                               | 496                                                  | -                                                     |
| Loss Before Other Items                                    | (4,995,238)                                                                                                                          | (160,342)                                            | (23,366)                                              |
| Other Items                                                |                                                                                                                                      |                                                      |                                                       |
| Gain of sale of patent                                     | 70,025                                                                                                                               | -                                                    | -                                                     |
| Gain (loss) on settlement of debt                          | 116,228                                                                                                                              | 115,122                                              | 137,333                                               |
| Reclassifications                                          | (69,398)                                                                                                                             | -                                                    | -                                                     |
| Consulting income                                          | 25,235                                                                                                                               | -                                                    | -                                                     |
| Write-off of patent                                        | (1)                                                                                                                                  | -                                                    | -                                                     |
| Write-off of goodwill                                      | (99,995)                                                                                                                             | (99,995)                                             | (99,995)                                              |
| Write-off of accounts receivable                           | (127,580)                                                                                                                            | (45,206)                                             | (43,124)                                              |
| Net Loss                                                   | (5,080,724)                                                                                                                          | (190,421)                                            | (29,152)                                              |
| Loss Per Share – Basic and Diluted                         |                                                                                                                                      | (0.00)                                               | (0.00)                                                |
| Weighted Average Shares Outstanding<br>– Basic and Diluted |                                                                                                                                      | 298,716,214                                          | 508,140,926                                           |

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

**CYPLASIN BIOMEDICAL, LTD.**

(A Development Stage Company)

Consolidated Statement of Stockholders' Equity (Deficit)

For the Year Ended January 31, 2012 and the Nine Months Ended October 31, 2012

|                               | Common<br>Stock<br>Number | Common<br>Stock<br>Amount<br>\$ | Additional<br>Paid-in<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income (Loss)<br>\$ | Obligation to<br>issue shares<br>\$ | Subscriptions<br>received<br>\$ | Subscriptions<br>received<br>\$ | Deferred<br>compensation | Deficit<br>\$ | Deficit<br>accumulated<br>during the<br>development<br>stage<br>\$ | Total<br>\$ |
|-------------------------------|---------------------------|---------------------------------|----------------------------------|--------------------------------------------------------------|-------------------------------------|---------------------------------|---------------------------------|--------------------------|---------------|--------------------------------------------------------------------|-------------|
| Balance, January 31, 2011     | 15,729,053                | 15,729                          | 3,422,506                        | 21,664                                                       | 490,875                             | (10,200)                        | 115,247                         | (188,192)                | (54,275)      | (3,944,763)                                                        | (131,409)   |
| Private placement s           | 33,511,578                | 33,512                          | 907,654                          | —                                                            | —                                   | —                               | —                               | —                        | —             | —                                                                  | 941,166     |
| Shares for consulting         | 3,860,000                 | 3,860                           | 282,140                          | —                                                            | —                                   | —                               | —                               | —                        | —             | —                                                                  | 286,000     |
| Obligation to issue shares    | —                         | —                               | —                                | —                                                            | (440,875)                           | —                               | —                               | —                        | —             | —                                                                  | (440,875)   |
| Stock based compensation      | —                         | —                               | 115,814                          | —                                                            | —                                   | —                               | —                               | —                        | —             | —                                                                  | 115,814     |
| Foreign currency translation  | —                         | —                               | —                                | (1,079)                                                      | —                                   | —                               | —                               | —                        | —             | —                                                                  | (1,079)     |
| Subscriptions received        | —                         | —                               | —                                | —                                                            | —                                   | —                               | (98,500)                        | —                        | —             | —                                                                  | (98,500)    |
| Deferred compensation         | —                         | —                               | —                                | —                                                            | —                                   | —                               | —                               | 188,192                  | —             | —                                                                  | 188,192     |
| Net loss                      | —                         | —                               | —                                | —                                                            | —                                   | —                               | —                               | —                        | —             | (876,142)                                                          | (869,342)   |
| Balance, January 31, 2012     | 53,100,631                | 53,101                          | 4,728,114                        | 20,585                                                       | 50,000                              | (10,200)                        | 16,747                          | —                        | (54,275)      | (4,820,905)                                                        | (16,833)    |
| Shares for debt               | 174,533,320               | 17,453                          | 5,073                            | —                                                            | —                                   | —                               | —                               | —                        | —             | —                                                                  | 22,526      |
| Shares for investment         | 100,000,000               | 10,000                          | —                                | —                                                            | —                                   | —                               | —                               | —                        | —             | —                                                                  | 10,000      |
| Shares for conversion of debt | 46,500,000                | 4,650                           | —                                | —                                                            | —                                   | —                               | —                               | —                        | —             | —                                                                  | 4,650       |
| Shares for consulting         | 151,234,997               | 15,123                          | —                                | —                                                            | —                                   | —                               | —                               | —                        | —             | —                                                                  | 15,123      |
| Foreign currency translation  | —                         | —                               | —                                | (420)                                                        | —                                   | —                               | —                               | —                        | —             | —                                                                  | (420)       |
| Net loss                      | —                         | —                               | —                                | —                                                            | —                                   | —                               | —                               | —                        | —             | (190,421)                                                          | (190,421)   |
| Reclassifications             | —                         | (47,790)                        | 214,502                          | (20,165)                                                     | (50,000)                            | 10,200                          | (16,747)                        | —                        | 54,275        | (69,398)                                                           | 74,877      |
| Balance, October 31, 2012     | 525,368,948               | 52,537                          | 4,947,689                        | —                                                            | —                                   | —                               | —                               | —                        | —             | (5,080,724)                                                        | (80,498)    |

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

**Compass Biotechnologies Inc. (formerly Cyplasin BioMedical, Ltd.)**  
(A Development Stage Company)  
Consolidated Statements of Cash Flows

|                                                                                                    | Accumulated From<br>February 15, 2007<br>(Date of reporting<br>as a development<br>stage company)<br>To<br>October 31,<br>2012<br>\$ | Nine<br>Months<br>Ended<br>October 31,<br>2012<br>\$ |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| <b>Cash Flows From Operating Activities</b>                                                        |                                                                                                                                      |                                                      |
| Net loss                                                                                           | (5,080,724)                                                                                                                          | (190,421)                                            |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: |                                                                                                                                      |                                                      |
| Amortization                                                                                       | 191,909                                                                                                                              | 51,784                                               |
| Gain on sale of patent                                                                             | (70,025)                                                                                                                             | —                                                    |
| Deferred compensation                                                                              | 188,192                                                                                                                              | —                                                    |
| Foreign exchange on gain on sale of patent                                                         | 790                                                                                                                                  | —                                                    |
| (Gain) Loss on settlement of debt                                                                  | (116,228)                                                                                                                            | (115,122)                                            |
| Accrued interest on loan payable                                                                   | 10,434                                                                                                                               | 6,900                                                |
| Shares for consulting services                                                                     | 1,439,306                                                                                                                            | 15,123                                               |
| Prepaid consulting fees                                                                            | 23,945                                                                                                                               | —                                                    |
| Stock-based compensation                                                                           | 442,710                                                                                                                              | —                                                    |
| Write-off of goodwill                                                                              | 99,995                                                                                                                               | 99,995                                               |
| Write-off of patent                                                                                | 1                                                                                                                                    | —                                                    |
| Write-off of accounts receivable                                                                   | 120,276                                                                                                                              | 45,206                                               |
| Write-off of licenses                                                                              | 19,834                                                                                                                               | 19,834                                               |
| Changes in operating assets and liabilities:                                                       |                                                                                                                                      |                                                      |
| Receivable                                                                                         | (52,150)                                                                                                                             | —                                                    |
| Prepays                                                                                            | (46,638)                                                                                                                             | 11,686                                               |
| Accounts payable and accrued liabilities                                                           | 522,523                                                                                                                              | 5,983                                                |
| <b>Net Cash Used in Operating Activities</b>                                                       | <b>(2,305,850)</b>                                                                                                                   | <b>(49,032)</b>                                      |
| <b>Cash Flows From Investing Activities</b>                                                        |                                                                                                                                      |                                                      |
| Acquisition of equipment                                                                           | (2,909)                                                                                                                              | —                                                    |
| Acquisition of patent                                                                              | (100)                                                                                                                                | —                                                    |
| Acquisition of license                                                                             | (16,642)                                                                                                                             | —                                                    |
| Acquisition of subsidiary                                                                          | (99,995)                                                                                                                             | (99,995)                                             |
| Short-term Loan                                                                                    | 260                                                                                                                                  | 3,243                                                |
| <b>Net Cash Used in Investing Activities</b>                                                       | <b>(119,386)</b>                                                                                                                     | <b>(96,752)</b>                                      |
| <b>Cash Flows From Financing Activities</b>                                                        |                                                                                                                                      |                                                      |
| Proceeds from loan payable                                                                         | 192,021                                                                                                                              | 20,308                                               |
| Issuance of common stock                                                                           | 1,917,488                                                                                                                            | 122,526                                              |
| Subscriptions received                                                                             | 294,013                                                                                                                              | —                                                    |
| <b>Net Cash Provided By Financing Activities</b>                                                   | <b>2,403,522</b>                                                                                                                     | <b>142,834</b>                                       |
| <b>Effect of Exchange Rate Changes</b>                                                             | <b>21,699</b>                                                                                                                        | <b>(420)</b>                                         |
| Change in Cash                                                                                     | (15)                                                                                                                                 | (3,370)                                              |
| Cash— Beginning                                                                                    | —                                                                                                                                    | 3,355                                                |
| <b>Cash— Ending</b>                                                                                | <b>(15)</b>                                                                                                                          | <b>(15)</b>                                          |

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

**Compass Biotechnologies Inc. (formerly Cyplasin BioMedical, Ltd.)**

(A Development Stage Company)

Notes to Consolidated Financial Statements

October 31, 2012

**1. Nature of Operations and Going Concern**

Compass Biotechnologies Inc. (the "Company") was incorporated in the state of Nevada on November 25, 2004 and is a development stage company in the business of developing its licenses for patents pertaining to the technology utilized in the prevention and treatment of hepatitis C. Effective March 29, 2011, the Company entered into an agreement and plan of merger with its wholly-owned subsidiary whereby the subsidiary merged with and into the Company and effected a name change to Compass Biotechnologies Inc. The Company's shares are quoted on the OTCMarkets Pinksheets.

**Basis of Accounting**

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles on the basis of a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its technology for production.

Realization values may be substantially different from the carrying values shown on these financial statements. The consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Since internally generated cash flow will not fund development and commercialization of the Company's technology, the Company will require significant additional financial resources and will be dependent on future financings to fund its ongoing operations as well as other working capital requirements. The Company's future capital requirements will depend on many factors including the rate and extent of progress in its development and commercialization program. There can be no assurance that the Company will be successful in its efforts to raise additional financing or if financing is available, that it will be on terms that are acceptable to the Company.

Management is addressing going concern remediation through raising additional sources of capital for operations and planned commercialization. Management's plans are intended to increase the Company's financial stability and to improve the efficiency of continuing operations. The Company intends to generate funds from future production of hepatitis C therapy products and raising funds from investors via equity. It is expected that the Company may incur further losses in the development of its business, all of which casts reasonable doubt about the Company's ability to continue as a going concern.

**2. Summary of Significant Accounting Policies**

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of Compass Biotechnologies Inc. and 1WorldDirect US Inc, its wholly-owned subsidiary. All intercompany balances and transactions have been eliminated in the consolidation.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements. Actual results could differ from those estimates.

**Property and Equipment**

Property and equipment is stated at cost and depreciated using the straight-line method over the estimated life of the assets, which is three. The cost of normal maintenance and repairs is charged to expense as incurred and expenditures for major improvements are capitalized at cost. Gains or losses on the disposition of assets are reflected in the income statement at the time of disposal.

**Debt**

The Company accounts for debt at the face amount of the debt offset by applicable discounts and recognizes interest expense for accrued interest payable under the terms of the debt. Principal and interest payments due within one year are classified as current, whereas principal and interest payments for periods beyond one year are classified as long term. Beneficial conversion features of debt are valued and the related amounts recorded as discounts on the debt. Discounts are amortized to interest expense using the effective interest method over the term of the debt. Any unamortized discount upon settlement or conversion of debt is recognized immediately as interest expense.

**Compass Biotechnologies Inc. (formerly Cyplas BioMedical, Ltd.)**

(A Development Stage Company)

Notes to Consolidated Financial Statements

October 31, 2012

Income Taxes

The Company accounts for income taxes under an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in its financial statements or tax returns. In estimating future tax consequences, the Company generally considers all expected future events other than enactments of changes in the tax law or rates.

The Company's deferred tax assets substantially pertain to its net operating loss carry forwards which are fully covered by a valuation allowance.

Fair Value of Financial Instruments

The carrying amount of the Company's cash equivalents, other receivables, accrued expenses and short-term debt approximates their estimated fair values due to the short-term nature of those financial instruments. The long-term debt, when applicable, approximates carrying value since the related rates of interest approximate current market rates.

Loss Per Share

Statement of Financial Accounting Standards FASB No. 128, "Earnings per Share", which replaces the calculation of primary and fully diluted earnings (loss) per share with basic and diluted earnings (loss) per share, is used to calculate earnings per share. Basic earnings (loss) per share includes no dilution and is computed by dividing income (loss) available to common stockholders by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share reflect the potential dilution of securities that could share in the earnings of an entity, similar to fully diluted earnings (loss) per share.

Recent Accounting Pronouncements

The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant effect on its material position or results of operations.

3. Licenses

Effective December 29, 2009, the Company entered into an Asset Assignment Agreement with C-Virionics Corporation ("C-Virionics") whereby the Company acquired certain licenses to patents used in the development of vaccination for prevention and treatment of hepatitis C. In consideration, the Company paid \$97,291 in royalty and other costs on behalf of C-Virionics and is obligated to issue 3,680,000 shares of common stock with a fair value of \$625,600 which had been recorded in obligation to issue shares at January 31, 2010. During the year ended January 31, 2011, the Company issued 3,180,000 shares of common stock with fair value of \$540,600.

The licenses to patents are licensed from the United States Public Health Service ("PHS"), to which the Company is obligated to make the following royalty payments:

- a) \$5,000 annually commencing January 1, 2010 (paid);
- b) 5% on net sales; and
- c) Benchmark royalties of:
  - \$25,000 upon initiation of phase I clinical trials;
  - \$100,000 upon initiation of phase II clinical trials;
  - \$250,000 upon initiation of phase III clinical trials;
  - \$500,000 upon Biologics License Application ("BLA") submission; and
  - \$3,000,000 upon BLA approval.

The Company is also obligated to pay PHS additional sublicensing royalties, of 12% - 25%, based on the fair market value of any consideration received for granting each sublicense or option to sublicense.

Management has determined that the Company's license to patents to be used in the development of vaccination for the prevention and treatment of hepatitis C to have a useful life of 10 years. For the nine months ended October 31, 2012, the Company has recorded amortization of \$51,635.

On October 31, 2013, the Company determined the licenses had a value of zero and therefore the cost and accumulated amortization were written off.

**Compass Biotechnologies Inc. (formerly Cyplasin BioMedical, Ltd.)**

(A Development Stage Company)

Notes to Consolidated Financial Statements

October 31, 2012

**4. Promissory Notes**

- a) On April 5, 2010, the Company entered into an unsecured promissory note agreement with a shareholder whereby the Company has borrowed \$20,000.

The note is interest bearing at 15% per annum commencing April 5, 2010, and repayable upon the Company completing a financing of at least \$100,000. The note is currently due and payable. If the Company fails to make payment, interest accrues at a rate of 18% per annum on the outstanding balance plus accrued interest. During the year ended January 31, 2011, the Company completed such financing and repaid \$6,500, therefore the loan of \$13,500 is interest bearing at 18% per annum. Included in accounts payable and accrued liabilities at November 10, 2011 is \$6,500 (January 31, 2011 - \$2,332) in accrued interest, which has been recorded in general and administrative expenses. On August 6, 2012 \$1,080 of the debt was converted to 6,000,000 million shares of common stock. On August 13, 2012, \$1,080 of the debt was converted to 6,000,000 million shares of common stock.

The Company determined this note would not be repaid and therefore it was written off on October 31, 2012.

- b) On January 1, 2011, the Company entered into an unsecured promissory note agreement with a related company that is controlled by a director. The Company has loaned \$5,687 (CAD \$5,382) under the agreement.

The note is interest bearing at 6% per annum commencing January 10, 2011, and repayable upon the related company completing a financing of at least \$100,000. If the related company controlled by a director of the Company fails to make payment, interest will accrue at a rate of 18% per annum on the outstanding balance plus accrued interest. During the period ended July 31, 2012, the related company controlled by the director did not complete such financing.

During the term that the note is outstanding the Company will have the right to convert the outstanding principal balance and accrued and unpaid interest into shares of preferred stock of the related company. The number of preferred shares into which the note will be converted may be equal to the total borrowed plus accrued interest on the date of conversion divided by \$0.20. The conversion feature had no intrinsic value and accordingly no beneficial conversion feature was recorded. As of July 31, 2012, the note and interest was fully repaid.

- c) On August 19, 2011, the Company entered into a \$50,000 Convertible Promissory Note (the "Note") with an arms length Corporation (the "Holder"). The principal bearing interest at a rate of 8% per annum. The Company is obligated to repay the principal with any interest by May 22, 2012 (the "maturity date"). Any principal or interest unpaid by the maturity date shall bear interest at a rate of 22% per annum. Holder has the option to convert the Note, commencing on February 15, 2012 and ending on the maturity date, in respect of the remaining outstanding principal amount in entirety or part, at a variable conversion price of 58% multiplied by the market price, being the average of the lowest 3 trading prices for the Company's shares of common stock during a 10 day trading period. If the trading price cannot be calculated, a trading price shall be the market value as mutually determined by the Company and Holder. In the event that the Company makes an announcement to consolidate or merge with any other corporation, sell or transfer substantially all of its assets or any person, group or entity announces a tender offer to purchase 50% or more of the Company's common stock, the conversion price shall be adjusted on such announcement day to be equal to the lower of (a) the conversion price which would have been applicable before such announcement and (b) the conversion price that would otherwise be in effect. As of July 31, 2012, the Company repaid \$15,000, and ten monthly repayment of \$5000 had been scheduled for a total of \$75,000 including principal and interest.

The Company determined this note would not be repaid and therefore it was written off on October 31, 2012.

- d) On August 19, 2011, the Company entered into a \$2,500 Promissory Note (the "Note") with an arms length individual. The Note bears interest at a rate of 13% per annum. The Company is obligated to repay the Principal with any interest upon demand. The Note is convertible at any time after February 15, 2012 into equity at a rate of 40% of the closing bid price of the previous 5 days of trading. On September 6, 2012 all of the debt plus \$325 of accrued interest was converted to 28,250,000 shares of common stock.

- e) On August 24, 2011, the Company entered into a \$2,500 Promissory Note (the "Note") with an arms length individual. The Note bears interest at a rate of 13% per annum. The Company is obligated to repay the Principal with any interest upon demand. The Note is convertible at any time after February 20, 2012 into equity at a rate of 40% of the closing bid price of the previous 5 days of trading. On August 24, 2012 all of the debt was converted to 6,250,000 shares of common stock.

**Compass Biotechnologies Inc. (formerly Cyplasin BioMedical, Ltd.)**

(A Development Stage Company)

Notes to Consolidated Financial Statements

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**4. Promissory Notes (Continued)**

f) On November 8, 2011, the Company entered into a \$50,000 Convertible Promissory Note (the "Note") with an arms length individual. The Note bears interest at a rate of 14% per annum. The Company is obligated to repay the Principal with any interest by November 8, 2012 (the "maturity date"). Any principal or interest unpaid by the maturity date shall bear interest at a rate of 22% per annum. The Note is convertible at any time into equity at a rate of 15% discount to the market price on the day of conversion. In addition the lender will receive one warrant per original share with a five year term converted at an excise price of US\$1.50 when any of the debt is converted into shares.

The Company determined this note would not be repaid and therefore it was written off on October 31, 2012.

g) On December 6, 2011, the Company entered into a \$50,000 Convertible Promissory Note (the "Note") with an arms length individual. The Note bears interest at a rate of 13% per annum. The Company is obligated to repay the Principal with any interest upon demand. The note is convertible at any time after 30 day issuance period into equity on a conversion price of \$0.0001.

h) On March 30, 2012, the Company entered into a \$2,975 Convertible Promissory Note (the "Note") with an arms length individual. The Note bears interest at a rate of 13% per annum. The Company is obligated to repay the Principal with any interest upon demand. The note is convertible at any time after 30 day issuance period into equity on a conversion price of \$0.0001.

i) On April 2, 2012, the Company entered into a \$5,000 Convertible Promissory Note (the "Note") with an arms length individual. The Note bears interest at a rate of 13% per annum. The Company is obligated to repay the Principal with any interest upon demand. The note is convertible at any time after 30 day issuance period into equity on a conversion price of \$0.0001.

j) On April 10, 2012, the Company entered into a \$750 Convertible Promissory Note (the "Note") with an arms length individual. The Note bears interest at a rate of 13% per annum. The Company is obligated to repay the Principal with any interest upon demand. The note is convertible at any time after 30 day issuance period into equity on a conversion price of \$0.0001.

k) On May 24, 2012, the Company entered into a \$2,500 Convertible Promissory Note (the "Note") with an arms length individual. The Note bears interest at a rate of 13% per annum. The Company is obligated to repay the Principal with any interest upon demand. The note is convertible at any time after 30 day issuance period into equity on a conversion price of \$0.0001.

l) On May 31, 2012, the Company entered into a \$500 Convertible Promissory Note (the "Note") with an arms length individual. The Note bears interest at a rate of 13% per annum. The Company is obligated to repay the Principal with any interest upon demand. The note is convertible at any time after 30 day issuance period into equity on a conversion price of \$0.0001.

m) Between April 2012 and October 31, 2012, the Company entered into Promissory Notes (the "Notes") totalling \$6,975. The Notes bear no interest. The Company is obligated to repay the Principal with any interest upon demand.

n) During the nine months ended October 31, 2012, the Company received an advance of \$5,000 with no repayment terms.

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**5. Common Stock**

The Company is authorized to issue common stock of up to 2,000,000,000 shares, with a par value of \$0.0001 and up to 100,000,000 shares of preferred stock, with a par value of \$0.0001. The preferred shares entitle the holder to payment as a preferred creditor in the case of corporate default.

During the nine months ended October 31, 2012, the Company issued the following shares of common stock:

- a) 14,933,320 shares of common stock to settle accounts payable and accrued liabilities. The shares of common stock were issued at a fair value of \$22,526.
- b) 159,600,000 shares of common stock to settle notes payable. The additional shares of common stock were issued for re-negotiation due to share market price drop.
- c) 151,234,997 shares of common stock to the officers and directors of the Company for services.
- d) 6,000,000 share of common stock for the conversion of debt.
- e) 6,000,000 shares of common stock for the conversion of debt
- f) 6,250,000 shares of common stock for the conversion of debt
- g) 28,250,000 shares of common stock for the conversion of debt

Stock Options

The following are the assumptions used for the Black-Scholes option pricing model to record the fair value of the issued stock options:

- a) The Company calculated volatility for stock options and awards using historical volatility.
- b) The Company used a 0% forfeiture rate and the Company does not consider forfeitures to be material.
- c) The Company has not, and does not intend to issue dividends, therefore, the dividend yield assumption is 0%.
- d) The risk-free rate for the expected term of the stock options is based on the U.S. Treasury yield curve in effect at the time of grant.

On January 31, 2010, the Company issued 500,000 stock options to the President of the Company, pursuant to the Company's stock option plan. These options are exercisable at a price of \$0.18 for a period of five years. The company recognizes stock-based compensation costs over the requisite service period of the award, which is the option vesting term. The options vest at a rate of 20% per year, commencing January 31, 2010. The fair value of these options at the date of grant was estimated to be \$68,006 using the Black-Scholes option pricing model with an expected life of 5 years, a risk-free interest rate of 2.34%, a dividend yield of 0%, and expected volatility of 101%. These stock options expire on January 31, 2014. As of October 31, 2012, these stock options are no longer valid and are considered cancelled.

On April 18, 2011, the Company issued 1,000,000 stock options to a third party consultant. These options are exercisable at a price of \$0.07 for a period of 60 days. The Company recognizes stock-based compensation costs over the requisite service period of the award, which is 60 days. The market value of these options at the date of grant was estimated to be \$52,015 using the Black-Scholes option pricing model with an expected life of 60 days, a risk-free interest rate of 1%, a dividend yield of 0%, and expected volatility of 105.59%. During the six months ended July 31, 2011, the Company recognized \$52,015 (January 31, 2012 - \$52,015) in stock-based compensation expense in relation to these stock options, of which \$52,015 was allocated to consulting fees in general and administrative expenses. These stock options expired, unexercised, on June 20, 2011.

**6. Related Party Transactions**

As of October 31, 2012, \$NIL (January 31, 2012 - \$6,980) was due to related parties and recorded in accounts payable and accrued liabilities and \$NIL (January 31, 2012 - \$3,243) is due from a company controlled by a director of the Company (Note 4).

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Unless otherwise noted related party amounts are unsecured, bear no interest and have no fixed terms of repayment.

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**7. Supplemental Cash Flow Information**

|                                                                                              | Accumulated<br>From<br>February 15, 2007<br>(Date of reporting<br>as a development<br>stage company) to<br>October 31, 2012<br>\$ | Nine Months<br>Ended<br>October 31,<br>2012<br>\$ |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Cash paid for Interest                                                                       | —                                                                                                                                 | —                                                 |
| Cash paid for income taxes                                                                   | —                                                                                                                                 | —                                                 |
| Issue shares of common stock for acquisition of licenses                                     | 540,600                                                                                                                           | —                                                 |
| Obligation to issue shares of common stock for consulting services                           | 50,000                                                                                                                            | —                                                 |
| Royalties recorded in accounts payable and accrued liabilities                               | 27,500                                                                                                                            | —                                                 |
| Finder's fee shares                                                                          | 82,000                                                                                                                            | —                                                 |
| Finder's fees recorded in accounts payable and accrued liabilities                           | 114,346                                                                                                                           | —                                                 |
| Shares issued for conversion of debt                                                         | 4,650                                                                                                                             | 4,650                                             |
| Reclassification of accounts payable and accrued liabilities to obligation to issue shares   | 36,000                                                                                                                            | —                                                 |
| Issuance of shares of common stock for consulting services recorded in deferred compensation | 80,826                                                                                                                            | —                                                 |
| Subscriptions receivable for share issued                                                    | 10,200                                                                                                                            | —                                                 |
| Issue share for debt                                                                         | 200,391                                                                                                                           | 22,526                                            |
| Issuance of shares for acquisition of subsidiary                                             | 100,000                                                                                                                           | 100,000                                           |
| Reclassification of subscriptions received to common stock                                   | 90,000                                                                                                                            | 90,000                                            |

**8. Acquisition of subsidiary**

On March 16, 2012, the Company entered into an agreement with a third party to purchase 100% ownership of 1WorldDirect US Inc for the consideration of 100,000,000 shares for the fair market value of \$100,000. On June 27, 2012, 100,000,000 were issued to maintain ownership percentage.

**6) Describe the Issuer's Business, Products and Services**

- A. A description of the Issuer's business operations: Compass is structured as a biotechnology research and development, company, focusing on the development and commercialization of generic, bio-similar and bio-better drug products.
- B. Date and State (or Jurisdiction) of Incorporation: The company was incorporated under the laws of the State of Nevada on May 12<sup>th</sup>, 2004.
- C. The Issuer's primary and secondary SIC Codes; Primary SIC Code: 2834 Secondary SIC Code: None
- D. The Issuer's fiscal year end date; January 31
- E. Principal products and services and their markets; Compass is structured as a biotechnology research and development, company, focusing on the development and commercialization of generic, bio-similar and bio-better drug products.

**7) Describe the Issuer's Facilities**

The Company's current CEO provides office space free of charge at 8904-60<sup>th</sup> Avenue, Edmonton, Alberta, Canada, T6E6A6. The Company is currently in the process of relocating its operations and expects to secure office space shortly.

**8) Officers, Directors and Control Persons**

A. Names of Officers, Directors and Control Persons.

Richard Shykora, CEO/Secretary/Treasurer/Chairman of the Board of Directors  
51% Majority Ownership

B. Legal/Disciplinary History. Please identify whether any of the forgoing persons, in the last 5 years, have been the subject of:

1. A conviction in a criminal proceeding (excluding traffic violations and other minor offences); None
2. The entry of an order, judgement, or decree, not subsequently reversed, suspended or vacated, be 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 judgement be a court of competent jurisdiction (in civil action), the Securities 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 judgement has not been reversed, suspended, or vacated; None
4. The entry of an order be 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.

Richard Shykora      51%

8904-60<sup>th</sup> Avenue, Edmonton, Alberta, Canada T6E 6A6

**9) Third Party Providers:**

Legal Counsel:

Naccarato & Associates  
1881 Von Karman Avenue, Suite 1440  
Irvine, CA92612

Accountant or Auditor:

Cox CPA Services  
974Campbell Road #106  
Houston, TX 77024

**10) Issuer Certification:**

I, Richard Shykora, certify that:

1. I have reviewed the Quarterly Financial Statement of Compass Biotechnologies Inc. for the period ending October 31, 2012;
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 statement 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, result of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: December 1, 2015

Signature: /s/ Richard Shykora

Title: CEO and Chairman of the Board