

**Halitron Inc.**  
**Balance Sheet**  
As of June 30, 2010

|                                       | Jun 30, 10     |
|---------------------------------------|----------------|
| <b>ASSETS</b>                         |                |
| Current Assets                        |                |
| Checking/Savings                      |                |
| Cash                                  | 334,354        |
| Total Checking/Savings                | 334,354        |
| Accounts Receivable                   |                |
| Accounts Receivable '                 | 2,571          |
| Total Accounts Receivable             | 2,571          |
| Other Current Assets                  |                |
| Inventory '                           | 48,113         |
| Prepaid Expenses '                    | 33,828         |
| Total Other Current Assets            | 81,941         |
| Total Current Assets                  | 418,866        |
| Fixed Assets                          |                |
| Property and Equipment, net '         | 90,447         |
| Total Fixed Assets                    | 90,447         |
| Other Assets                          |                |
| Licenses '                            | 100            |
| Security Deposit '                    | 1,000          |
| Total Other Assets                    | 1,100          |
| <b>TOTAL ASSETS</b>                   | <b>510,413</b> |
| <b>LIABILITIES &amp; EQUITY</b>       |                |
| Liabilities                           |                |
| Current Liabilities                   |                |
| Accounts Payable                      |                |
| Accounts Payable                      | 112,880        |
| Total Accounts Payable                | 112,880        |
| Other Current Liabilities             |                |
| Accrued Debt '                        | 266,235        |
| Accrued Interest '                    | 879,626        |
| Note Payable - LOC                    | 2,052,078      |
| Total Other Current Liabilities       | 3,197,939      |
| Total Current Liabilities             | 3,310,818      |
| Long Term Liabilities                 |                |
| Minority Interest JV '                | 37,500         |
| Total Long Term Liabilities           | 37,500         |
| Total Liabilities                     | 3,348,318      |
| Equity                                |                |
| Accumulated Deficit '                 | -10,037,681    |
| Addtl Paid In Capital '               | 8,336,158      |
| Common Stock, \$0001 par              | 17,762         |
| Less - Treasury Stock at Cost '       | -52,540        |
| Retained Earnings                     | -797,795       |
| Net Income                            | -303,809       |
| Total Equity                          | -2,837,905     |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>510,413</b> |

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Accrual Basis

**Halitron Inc.**  
**Profit & Loss**  
 April through June 2010

|                         | Apr - Jun 10 |
|-------------------------|--------------|
| Ordinary Income/Expense |              |
| Income                  |              |
| Services Income         | 250          |
| Total Income            | 250          |
| Cost of Goods Sold      |              |
| Inventory - COGS        | 5,346        |
| Total COGS              | 5,346        |
| Gross Profit            | -5,096       |
| Expense                 |              |
| Depreciation Expense    | 7,537        |
| Finance Charge          | 16,842       |
| Professional Fees       |              |
| Legal Services          | 788          |
| Total Professional Fees | 788          |
| Total Expense           | 25,167       |
| Net Ordinary Income     | -30,263      |
| Other Income/Expense    |              |
| Other Income            |              |
| Finance Charge Income   | 100          |
| Interest Income         | 1,663        |
| Total Other Income      | 1,763        |
| Other Expense           |              |
| Interest Expense '      | 126,246      |
| Total Other Expense     | 126,246      |
| Net Other Income        | -124,483     |
| Net Income              | -154,746     |

**Halitron Inc.**  
**Per Share Calculation**

|                                            |    |              |
|--------------------------------------------|----|--------------|
| Net Loss for the Quarter Ending 06-30-2010 | \$ | (149,064.00) |
| Weighted Average # of Common Shares        |    | 17,167,810   |
| Net Loss Per Share - Basic & Fully Diluted | \$ | (0.0087)     |

**Halitron Inc.**  
**Statement of Cash Flows**  
April through June 2010

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|                                                                            | <u>Apr - Jun 10</u>      |
|----------------------------------------------------------------------------|--------------------------|
| <b>OPERATING ACTIVITIES</b>                                                |                          |
| Net Income                                                                 | -154,745.50              |
| Adjustments to reconcile Net Income<br>to net cash provided by operations: |                          |
| Accounts Receivable '                                                      | -350.00                  |
| Inventory '                                                                | 5,346.00                 |
| Accounts Payable                                                           | 16,842.00                |
| Accrued Debt '                                                             | 787.50                   |
| Accrued Interest '                                                         | 126,246.00               |
|                                                                            | <hr/>                    |
| Net cash provided by Operating Activities                                  | -5,874.00                |
| <b>INVESTING ACTIVITIES</b>                                                |                          |
| Property and Equipment, net '                                              | 7,537.00                 |
|                                                                            | <hr/>                    |
| Net cash provided by Investing Activities                                  | 7,537.00                 |
|                                                                            | <hr/>                    |
| Net cash increase for period                                               | 1,663.00                 |
| Cash at beginning of period                                                | 332,691.00               |
|                                                                            | <hr/>                    |
| Cash at end of period                                                      | <u><u>334,354.00</u></u> |

**HALITRON, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30<sup>th</sup>, 2010 (UNAUDITED)**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**a) Basis of Presentation:**

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. At the balance sheet date, the Company has a stockholders' deficiency and a deficit accumulated during the development stage. Management plans to issue more shares of common stock in order to raise funds.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. In the opinion of management, these financial statements include all adjustments necessary in order to make them not misleading.

**b) Use of Estimates:**

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

**c) Cash and Cash Equivalents:**

For purposes of the statement of cash flows, the Company considers highly liquid financial instruments purchased with maturity of three months or less to be cash equivalents.

**d) Income taxes:**

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting basis and the tax basis of the assets and liabilities and are measured using enacted tax rates and laws that will be in effect, when the differences are expected to reverse. An allowance against deferred tax assets is recognized, when it is more likely than not, that such tax benefits will not be realized.

Any deferred tax asset is considered immaterial and has been fully offset by a valuation Allowance.

**e) Loss per Common Share:**

Basic loss per share is calculated using the weighted-average number of common shares

outstanding during each reporting period. Diluted loss per share includes potentially dilutive securities such as outstanding options and warrants, using various methods such as the treasury stock or modified treasury stock method in the determination of dilutive shares outstanding during each reporting period. The Company does not have any potentially dilutive instruments.

**f) Fair Value of Financial Instruments:**

The carrying value of cash if any, due from affiliate and due to shareholder approximate their fair value due to the short period of time to maturity.

**g) Comprehensive Income:**

Comprehensive income (loss) is not presented in the Company's financial statements since there is no difference between net loss and comprehensive loss in any period presented.

**NOTE 3 – CAPITAL STOCK**

The total number of shares of capital stock, which the Company shall have authority to issue, is 50,000,000 shares common shares par value \$0.001. Holders of shares of common stock are entitled to cast one vote for each share held at all stockholders' meetings for all purposes, including the election of directors. The common stock does not have cumulative voting rights.

**NOTE 4 – DUE FROM AFFILIATE**

Amounts due from an affiliated company, if any, are unsecured, non-interest bearing and have no fixed terms of repayment.

**NOTE 5 – DUE TO SHAREHOLDER**

Advances by a shareholder, if any, are unsecured, non-interest bearing and have no fixed terms of repayment.

**NOTE 6 – INCOME TAXES**

The Company has incurred net losses and, therefore, has no tax liability. The net deferred tax asset generated by the loss carry-forward has been fully reserved.

**NOTE 7 – GOING CONCERN**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, the Company incurred losses since its inception and has not produced enough revenues from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be

necessary in the event that the Company cannot continue as a going concern.

The ability of the Company to continue as a going concern is dependent upon the Company's ability to attain a satisfactory level of profitability and obtain suitable and adequate financing. There can be no assurance that management's plan will be successful.

#### **NOTE 8 – LACK OF INSURANCE**

The Company could be exposed to liabilities or other claims for which the Company would have no insurance protection. The Company does not currently maintain any property insurance, business interruption insurance, products liability insurance, or any other comprehensive insurance policy. Any purchaser of the Company's common stock could lose their entire investment should uninsured losses occur.

#### **CERTIFICATION**

I, Bernard Findley, current President of Halitron Inc. (formerly Teknik Digital Arts, Inc.), certify that: The consolidated financial statements and the attached notes filed herewith are in conformity with consistently applied accounting principles generally accepted in the United States, and fairly present, in all material respects, the financial position and results of operations for the period ended June 30<sup>th</sup>, 2010.

/S/ Bernard Findley  
President