GREYSON INTERNATIONAL, INC.

Financial Statements

For the Periods Ended

March 31, 2016 and March 31, 2015

Prepared By:

Charles E. Heath CPA, P.A.
32-C SE Osceola Street
Stuart, FL 34994
772-286-5669

CPA Charles E. Heath CPA, P.A.

MEMBER:
FLORIDA INSTITUTE OF CPAs
OKLAHOMA SOCIETY OF CPAs

P.O. BOX 2315
STUART, FLORIDA 34994
(772) 286-5669
(772) 286-6537 FAX
www.flbeancounter.com

To the Board of Directors:

GREYSON INTERNATIONAL, INC.
PO Box 970036
Coconut Creek, FL 33097-0036

We have compiled the accompanying balance sheet of GREYSON INTERNATIONAL, INC. as of March 31, 2016, and the related statements of income and retained earnings and cash flows for the year then ended. 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, expenses, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Charles E Heath CPA, P.A

Charles E. Heath CPA, P.A.
License #AD 69023
May 16, 2016

GREYSON INTERNATIONAL, INC.
Balance Sheet
As of March 31, 2016 and 2015

Assets

	2016	2015
Current Assets		
Cash	$ 263.84	$ 993.80
Inventory	55,141.39	56,732.47
Inventory - Consignment	2,376.00	2,376.00
Inventory Valuation Allowance	(4,427.44)	(4,427.44)
Total Current Assets	53,353.79	55,674.83
Property and Equipment		
Furniture & Equipment	5,263.11	49,923.91
Less Accumulated Depreciation	(4,796.10)	(46,258.52)
Net Property and Equipment	467.01	3,665.39
Non Current Assets		
Patents and Trademarks	11,774.50	11,774.50
Equity in Private Oil & Gas Entity	200,024.62	200,024.62
Total Non Current Assets	211,799.12	211,799.12
Total Assets	$ 265,619.92	$ 271,139.34

GREYSON INTERNATIONAL, INC.
Balance Sheet
As of March 31, 2016 and 2015

Liabilities and Stockholders' Equity

	2016	2015
Current Liabilities		
Accounts Payable	$ 437,322.59	$ 383,655.71
Loan from Shareholders	22,400.00	12,000.00
Total Current Liabilities	459,722.59	395,655.71
Long-Term Liabilities		
Total Long-Term Liabilities	0.00	0.00
Total Liabilities	459,722.59	395,655.71
Stockholders' Equity		
Capital Contributions	15,139,780.32	15,139,122.91
Capital Stock	15,534.39	15,534.39
Retained Earnings	(15,349,535.33)	(15,279,291.62)
Total Stockholders' Equity	(194,220.62)	(124,634.32)
Total Liabilities and Stockholders' Equity	$ 265,501.97	$ 271,021.39

GREYSON INTERNATIONAL, INC.
Statement of Revenues & Expenses

	1 Quarter Ended March 31, 2016	1 Quarter Ended March 31, 2015
Sales		
Sales	481.84	5,024.91
Sales - Consignment	0.00	2,376.00
Inventory - Closeout	0.00	(14,116.02)
Total Sales	481.84	(6,715.11)
Cost of Goods Sold		
Inventory Recoupment	0.00	(4,365.00)
Total Cost of Goods Sold	0.00	(4,365.00)
Gross Profit	481.84	(2,350.11)
Operating Expenses		
Freight out	95.63	737.60
Wages	13,000.00	73,710.00
Payroll Company Fees	52.60	232.30
Bank Charges and Fees	51.00	66.00
Stock Expense	3,600.00	1,500.00
Legal and Accounting	3,315.00	4,820.00
Insurance	0.00	1,236.82
Licenses and Taxes	0.00	150.58
Office Supplies	8.53	476.61
Marketing Expense	757.82	257.82
Rent	538.44	7,351.00
Utilities	657.32	707.96
Repairs and Maintenance	0.00	95.00
Security Expense	0.00	130.11
Advertising	0.00	261.92
Web Expense	15.17	58.33
Consulting Fees	0.00	29,750.00
Sales Tax	7.44	120.18
Depreciation	78.89	419.24
Total Operating Expenses	22,177.84	122,081.47
Operating Income (Loss)	(21,696.00)	(124,431.58)
Other Income (Expenses)		
Total Other Income (Expenses)	0.00	0.00
Net Income (Loss) Before Taxes	(21,696.00)	(124,431.58)
Net Income (Loss)	$ (21,696.00)	$ (124,431.58)

GREYSON INTERNATIONAL, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF MARCH 31, 2016 AND MARCH 31, 2015

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

General

Greyson International, Inc. ("Greyson" or the "Company") was incorporated under the Laws of the State of Delaware on October 17, 1997. The Company develops, researches, manufactures, distributes and sells health and beauty products.

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 these financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting where revenues and expenses are recognized in the period in which they were incurred. The basis of accounting conforms to accounting principles generally accepted in the United States of America.

Going Concern

As shown in the accompanying financial statements, the Company has incurred net losses of $ 21,696.00 and $ 124,431.58 for the periods ended March 31, 2016 and 2015, respectively. These conditions create an uncertainty as to the Company's ability to continue as a going concern at this time. Management's plans in regard to this matter are to continue to explore various alternatives in marketing and licensing the Trilexon technology to other companies and selling directly to customers using various methods to generate income. As previously discussed, the Company completed the purchase of a private entity that now holds approximately a 1% interest in an oil and gas exploration concern with considerable upside potential. This raises the possibility for the Company to be able to monetize this asset in many ways.

Cash and Cash Equivalents

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

Accounts Receivable and Allowance for Uncollectible Amounts

Accounts receivable represents amounts billed to customers but uncollected. Accounts receivable is recorded at the invoiced amounts and is non-interest bearing. Based on

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

its experience with its customers, management expects to collect all receivables, and as a result, a provision for doubtful accounts has not been recorded.

Revenue Recognition

The Company recognizes revenue in accordance with the provisions of Staff Accounting Bulletin (SAB) No. 104, "Revenue Recognition", which states that revenue is realized and earned when all of the following criteria are met:

(a) persuasive evidence of the arrangement exists,
(b) delivery has occurred or services have been rendered,
(c) the seller's price to the buyer is fixed and determinable and
(d) collectability is reasonably assured.

Earnings per share

The Company computes basic and diluted loss per share amounts for March 31, 2016 and 2015, pursuant to the Statement of Financial Accounting Standards (SFAS) No. 128 "Earnings per Share." Basic earnings per share are computed by dividing earnings available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect per share amounts that would have resulted if dilutive potential common stock had been converted to common stock.

Concentration of Credit Risk

The Company places its cash and cash equivalents with financial institutions and, at times, cash held in checking accounts may exceed the Federal Deposit Insurance Corporation insured limit. At March 31, 2016 and 2015, the Company's cash balance did not exceed the federally insured limits.

Income Taxes

The Company records income taxes on the period's taxable income for federal and state income tax reporting purposes. Deferred income taxes are recognized for the tax consequences in future periods for differences between the tax basis of assets and liabilities and their financial reporting amounts at each period-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable for the period and the change during the period of deferred tax assets and liabilities.

The Company accounts for income taxes under the provisions of FASB Accounting Standards Codification ("ASC") 740, *Income Taxes* (formerly referenced as FASB

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB No. 109), which changed the framework for accounting for uncertainty in income taxes. The adoption of this standard does not have an impact on the Company's results of operations or financial position.*

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash, related party receivable, accounts payable, and related party payable approximate fair value at March 31, 2016 and 2015 because of the relatively short maturity of the instruments.

Inventories

Inventories, which consist of items available for sale, are recorded using the first-in, first-out method and valued at the lower of cost or market. As of March 31, 2016 and 2015, the inventory totaled $ 55,141.39 and $ 56,732.47.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is calculated using the straight-line method over the useful lives of the assets, which range from three months to ten years. The Company evaluates the recoverability of property and equipment when events and circumstances indicate that such assets might be impaired. The Company determines impairment by comparing the undiscounted future cash flows estimated to be generated by these assets to their respective carrying amounts. Maintenance and repairs are expensed as incurred. Replacements and betterments are capitalized. The carrying value of assets sold or retired is removed from the accounts and any resulting gain or loss is reflected in results of operations.

Accounting for Shipping and Handling Costs

The Company records shipping and handling costs incurred in cost of sales and records shipping and handling costs billed to customers in net sales.

Stock Based Compensation

All share-based payments to employees, including the grants of employee stock options, are recognized in the Company's financial statements based on their fair values, but only to the extent that vesting is considered probable. Compensation cost for awards that vest will not be reversed if the awards expire without being exercised. The fair value of stock options is determined using the Black-Scholes option-pricing model. Compensation costs for awards are amortized over the vesting period. Option pricing model input assumptions such as expected term, expected volatility and risk-free interest rate impact the fair value estimate. Further, the forfeiture rate impacts the amount of aggregate compensation. These assumptions are subjective and generally require significant analysis and judgment to develop. When estimating fair value, some of the assumptions

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

are based on or determined from external data and other assumptions may be derived from the Company's historical experience with share-based arrangements. The appropriate weight to place on historical experience is a matter of judgment, based on relevant facts and circumstances.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and Equipment consisted of:

	March 31	
	2016	2015
Equipment	5,263.11	49,923.91
Less Accumulated Depreciation	(4,796.10)	(46,258.52)
Total	$ 467.01	$ 3,665.39

The Company recognized $ 78.89 and $ 419.24 in depreciation expense for the periods ended March 31, 2016 and 2015, respectively.

NOTE 4 – OTHER ASSETS

Deposits
Deposits consisted of a deposit placed on the lease of the Company's office at the inception of the lease. This deposit was fully recovered at the end of the lease.

Other assets consisted of:

	March 31	
	2016	2015
Patents and Trademarks	11,775	11,775
Refundable Deposits	0	2,319
	11,775	14,093
Less Accumulated Amortization	(0)	(0)
Total	$ 11,775	$ 14,093

NOTE 5 – STOCK OPTIONS

There were no stock options granted in 2015.

During 2014, the Board granted to its consultants stock options to purchase 700,000 shares of Common Stock. The stock options vest immediately. The exercise price of the stock options is $ 0.04 per share, which was the price received for most recent sales of the Common Stock prior to the date of the grant. The weighted-average grant-date fair

NOTE 5 – STOCK OPTIONS (CONTINUED)

value of options granted was $0.04 per share based on the Black-Scholes option pricing model.

The following table summarizes the assumptions the Company utilized to record compensation expense for options awarded during the periods ended December 31, 2015 and 2014:

	2015	2014
Risk free interest rate	.05%	.05%
Expected life (years)	2 to 5	2 to 5
Expected volatility	697%	697%
Expected dividend	None	None

A summary of options for the periods ended December 31, 2015 and 2014 is shown below:

	2015		2014	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of period	12,000,000	0.05	33,900,000	0.05
Granted	(0)	0.04	700,000	0.04
Exercised	(0)	0.05	(0)	0.05
Forfeited	(0)	0.00	(0)	0.00
Expired	(3,900,000)	0.00	(22,600,000)	0.00
Outstanding at end of period	8,100,000	0.05	12,000,000	0.05
Exercisable at end of period	8,100,000		12,000,000	

NOTE 6 – EQUITY

Preferred Stock
Preferred shareholders have a right to cast a total of 25 votes for each issued and outstanding share of preferred stock on all matters that are brought for vote to the holders of common stock.

Common Stock
During the year ended December 31, 2015, the Company issued 4,250,000 shares of common stock for services for a total value of $29,700.00.

During the year ended December 31, 2014, the Company issued 3,811,666 shares of common stock for cash at an average price per share of $0.05 for a total value of $97,250.00. The Company issued 6,325,000 shares of common stock for services for a total value of $248,000.00.

NOTE 7 – INCOME TAXES

For federal income tax purposes, an analysis of the components of the (loss) before income taxes and the related income tax (benefit) is presented in the following tables. The tax amounts have been calculated using the 34% federal and 5.5% state income tax rates.

The (provision) benefit for income taxes consists of the following:

	2016	2015
Current	$ 0	$ 0
Deferred	0	0
	$ 0	$ 0

As of December 31, 2015, the Company had a net operating loss carry forward of approximately $ 6,240,043.00 which will begin to expire in 2025.

NOTE 7 – SUBSEQUENT EVENTS

Management is working with a third party distributer who is willing to market our Trilexon delivery system as base material to the compounding Industry. Greyson has already produced some samples and the Trilexon base material is in a testing phase. The NDC number has been issued by FDA to Greyson for this product.