Biostem Technologies, Inc
A Development Stage Company
Consolidated Balance Sheets
(Unaudited)

	March 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash	$ 215,671	$ 411,894
Accounts receivable	44,608	151,536
Inventory	111,947	220,468
Other receivable	-	667
Total current assets	372,226	784,565
Property, plant and equipment - net (note 3)	1,332,871	1,341,720
Other assets:		
Prepaid expense (note 4)	8,401	8,327
Goodwill	597,255	629,537
Organizational cost - net (note 4)	13,032	13,848
Acquired trademark - net (note 4)	151,268	153,853
Other Assets - Security Deposits	18,770	4,645
Total other assets	788,726	810,210
Total assets	$ 2,493,823	$ 2,936,495
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable & accrued expenses	$ 806,446	$ 780,778
Other current liabilities	11,187	11,192
Total current liabilities	817,633	791,970
Long term liabilities:		
Notes payable (note 5)	500,000	500,000
Total long term liabilities	500,000	500,000
Total liabilities	1,317,633	1,291,970
Stockholders' equity:		
Series A Convertible Preferred Stock (note 6)	500	500
Series B Convertible Preferred Stock (note 6)	500	500
Common stock (note 6)	1,253,981	1,251,792
Additional paid-in capital (note 6)	3,047,456	3,020,643
Accumulated deficit	(3,126,247)	(2,628,910)
Total Stockholders' equity	1,176,190	1,644,525
Total liabilities and stockholders' equity	$ 2,493,823	$ 2,936,495

Biostem Technologies, Inc
A Development Stage Company
Consolidated Statements of Operations
Three Months Ended March 31,
(Unaudited)

	2016	2015
Sales	$ 149,092	$ -
Cost of sales	(33,823)	-
Gross profit	115,269	-
General and administrative expenses	604,038	265,090
Loss from operations	(488,769)	(265,090)
Other income (expense)		
Other income	71	82
Other expense	(2,278)	-
Interest expense	(6,361)	(7,107)
Change in fair value of embedded derivative liabilities	-	4,132
Total other expense - net	(8,568)	(2,893)
Net loss	$ (497,337)	$ (267,983)
Net loss per share - basic	$ (0.42)	$ (0.25)
Weighted average number of common shares outstanding during the year - basic	1,173,878	1,083,323

For Internal Use Only

Biostem Technologies, Inc
A Development Stage Company
Consolidated Statements of Cash Flows
Three Months Ended March 31,
(Unaudited)

	2016	2015
Cash flows from operating activities:		
Net loss attributable to Biostem Technologies, Inc	$ (497,337)	(267,983)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	24,742	4,390
Amortization of debt discount	-	2,698
Amortization of other assets	3,401	174
Change in fair value of derivative liabilities	-	(4,132)
Stock issued for services	4,002	65,000
Change in operating assets and liabilities:		
Accounts receivable	106,928	-
Inventory	108,521	-
Subscriptions receivable	-	(50,000)
Prepaid expenses	(74)	-
Other receivable	667	-
Other	(14,130)	-
Accounts payable & accrued expenses	25,667	130,357
Net cash used in operating activities	(237,613)	(119,496)
Cash flows from investing activities:		
Purchase of property & equipment	(20,182)	(137,951)
Disposition of property & equipment	4,290	-
Goodwill	32,282	-
Organizational cost	-	(8,875)
Net cash used in investing activities	16,390	(146,826)
Cash flows from financing activities:		
Repayments of notes payable	-	(12,100)
Proceeds from issuance of stock	25,000	272,000
Net cash provided by financing activities	25,000	259,900
Decrease cash and cash equivalents	(196,223)	(6,422)
Cash and cash equivalents at beginning of period	411,894	50,941
Cash and cash equivalents at end of period	$ 215,671	$ 44,519
Supplementary disclosure of non-cash financing activities:		
Retirement of 128,979,751 shares	$ -	$ (128,980)
Preferred B Stock issued to compensate retirement of 128,979,751 shares	$ -	$ 500
Retirement of 475,000 Preferred B shares	$ -	$ (475)
Supplementary disclosure of cash flow information		
Cash paid during the period for:		
Interest	$ 6,361	$ 4,014
Income taxes	$ -	$ -

Biostem Technologies, Inc
Consolidated Statements of Stockholders' Equity
Period Ended March 31, 2016 and December 31, 2015

	Series A Convertible Preferred Stock $0.001 Par Value		Series B Convertible Preferred Stock $0.001 Par Value		Common Stock Non-Restricted Pre-Reverse Split $0.001 Par Value Post-Reverse Split $0.4 Par Value		Common Stock Restricted Pre-Reverse Split $0.001 Par Value Post-Reverse Split $0.4 Par Value	
	Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
Balance, August 28, 2014	500,000	$ 500	475,005	$ 475	143,969,940	$ 143,970	311,946,503	$ 311,947
Common stock issued for Cash	-	-	-	-	-	-	5,000,000	5,000
Common stock issued for Services	-	-	-	-	-	-	20,000,000	20,000
Common stock issued for prior acquisition/ Goodwill							10,400,000	10,400
Issuance of Shares for Cash (Certificate issued on May 5, 2015)	-	-	-	-		-	216,666	217
Net loss	-	-	-	-	-	-	-	-
Balance, December 31, 2014	500,000	$ 500	475,005	$ 475	143,969,940	$ 143,970	347,563,169	$ 347,564
Retirement of Preferred B	-	-	(475,005)	(475)	-	-	-	-
Common stock issued for Cash (Pre-Reverse Split)	-	-	-	-	-	-	10,000,000	10,000
The Company reaquired 128,979,751 shares	-	-	-	-	-	-	-	-
Retirement of common stocks - 128,979,751 shares	-	-	-	-	-	-	(128,979,751)	(128,980)
Preferred B Stock issued	-	-	500,000	500	-	-	-	-
Net loss	-	-	-	-	-	-	-	-
Balance, January 7, 2015	500,000	$ 500	500,000	$ 500	143,969,940	$ 143,970	228,583,418	$ 228,584
Reverse Split 1:400 on January 27 result in Par Value of 0.4	-	-	-	-	359,925	-	571,459	-
Common stock issued for Cash (Post-Reverse Split)	-	-	-	-	-	-	923,927	369,571
Common stock issued for Services		-	-	-	-	-	1,028,286	411,314
Common stock issued for Conversion	-	-	-	-	-	-	4,207	1,683
Reclassification of derivative liabilities associated with Convertible Notes	-	-	-	-	-	-	-	-
Commons stock issued for Acquisition of Assets	-	-	-	-	-	-	241,675	96,670
Net loss	-	-	-	-	-	-	-	-
Balance, December 31, 2015	**500,000**	**$ 500**	**500,000**	**$ 500**	**359,925**	**$ 143,970**	**2,769,554**	**$ 1,107,822**
Common stock issued for Services	-	-	-	-	-	-	338	135
Common stock issued for Cash	-	-	-	-	-	-	5,134	2,054
Net loss	-	-	-	-	-	-	-	-
Balance, March 31, 2016	**500,000**	**$ 500**	**500,000**	**$ 500**	**359,925**	**$ 143,970**	**2,775,026**	**$ 1,110,011**

Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
$ -	$ -	$ 456,891
-	-	5,000
-	-	20,000
-		10,400
129,783	-	130,000
-	(248,460)	(248,460)
$ 129,783	$ (248,460)	$ 373,832
475	-	(0)
-	-	10,000
128,980	-	-
-	-	-
(500)	-	-
-	-	-
$ 258,738	$ (248,460)	$ 383,832
-	-	-
959,680	-	1,329,251
1,184,019		1,595,333
20,117	-	21,800
8,589	-	8,589
589,500	-	686,170
-	(2,380,450)	(2,380,450)
$ 3,020,643	**$ (2,628,910)**	**$ 1,644,525**
3,867		4,002
22,946	-	25,000
-	(497,337)	(497,337)
$ 3,047,456	**$ (3,126,247)**	**$ 1,176,190**