CB SCIENTIFIC, INC.

Quarterly Financial Information

(UNAUDITED)

June 30, 2016

CB SCIENTIFIC, INC.
Consolidated Balance Sheets
June 30, 2016

	Jun 30, 16
ASSETS	
Current Assets	
Checking/Savings	
Merchant Account	4.61
Operating Account	-79.50
Merchant Account	44.28
Total Checking/Savings	-30.61
Accounts Receivable	
Accounts Receivable	13,729.60
Total Accounts Receivable	13,729.60
Other Current Assets	
Website Receivable	
Bankcard USA	119.75
Website Receivable - Other	26.10
Total · Website Receivable	145.85
Undeposited Funds	3,123.50
Inventory - Material & Supply	
Chemicals	1,376.05
Packaging	8,701.41
Total · Inventory - Material & Supply	10,077.46
Inventory - Finished Product	7,241.59
Total Other Current Assets	20,588.40
Total Current Assets	34,287.39
Fixed Assets	
Furniture and Equipment	748.99
Accumulated Depreciation	-21.69
Total Fixed Assets	727.30
Other Assets	
Intangible Assets	
Patents & Copyrights	275.00
Provisional Goodwill	2,187,837.00
Accumulated Amortization	-12,226.82
Total · Intangible Assets	2,175,885.18
Total Other Assets	2,175,885.18
TOTAL ASSETS	**2,210,899.87**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	48,195.18

Total Accounts Payable	48,195.18
Other Current Liabilities	
Sales Tax Payable	
Colorado Sales Tax	6.27
Florida Sales Tax	189.41
Sales Tax Payable - Other	-33.56
Total Sales Tax Payable	162.12
Payroll Liabilities	
Tax Due - 940	13.20
Tax Due - 941	809.31
Total Payroll Liabilities	822.51
Total Other Current Liabilities	984.63
Total Current Liabilities	49,179.81
Long Term Liabilities	
N/P Cameron Cox	-66.00
N/P Officer / Sam Talari	56,647.63
Related Party Loans	
N/P Bioceutical Labs	-6,000.70
N/P CB Scientific	87.44
N/P Due to/from FutureWorld	233,468.85
N/P Due to/from HempTech Corp	-3,141.12
N/P Due To/From MedTest Inc	-95,198.21
N/P FutureLand Corp	19,007.72
N/P Nutracon	-120.00
N/P URVape Inc	3,839.66
Total Related Party Loans	151,943.64
Total Long Term Liabilities	208,525.27
Total Liabilities	257,705.08
Equity	
Common stock	45.00
Additional Paid in Capital	100,730.00
Retained Earnings	1,931,646.79
Net Income	-79,227.00
Total Equity	1,953,194.79
TOTAL LIABILITIES & EQUITY	**2,210,899.87**

See accompanying notes to consolidated financial statements.

CB SCIENTIFIC, INC.
Consolidated Statements of Operations
June 30, 2016

	Apr - Jun 16
Ordinary Income/Expense	
Income	
Merchandise Sales	12,335.85
Shipping & Handling	2,403.78
Sales Discounts	-500.50
Total Income	14,239.13
Cost of Goods Sold	
Cost of Goods Sold	2,146.13
Freight out	1,073.94
Merchant Account Activity	-7.75
Temp Labor	746.68
Sales Commissions	3,000.00
Total COGS	6,959.00
Gross Profit	7,280.13
Expense	
Sales Commission	1,000.00
Advertising and Promotion	9,136.72
Bank Service Charges	1,218.51
Insurance Expense	96.60
Office Supply & Expenses	450.51
Postage & Delivery	2,298.46
Personnel Costs	16,875.24
Professional Fees	13,500.00
Public Company Expense	1,924.00
Supplies - General	5.98
Travel Expense	900.34
Moving Expense	236.64
Rent Expense	5,319.23
Repairs and Maintenance	720.00
Utilities	1,080.00
Total Expense	54,762.23
Net Ordinary Income	-47,482.10
Net Income	**-47,482.10**

See accompanying notes to consolidated financial statements.

CB SCIENTIFIC, INC.
Consolidated Statements of Cash Flow
June 30, 2016

	Apr - Jun 16
OPERATING ACTIVITIES	
Net Income	47,482.10
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Accounts Receivable	-1,380.60
Website Receivable	-26.10
Website Receivable: Bankcard USA	-240.50
Website Receivable: Total EMS Reserve	2,557.82
Inventory - Material & Supply: Packaging	-527.84
Inventory - Finished Product	1,822.89
Accounts Payable	30,824.05
Sales Tax Payable: Florida Sales Tax	2.10
Net cash provided by Operating Activities	14,450.28
INVESTING ACTIVITIES	
Accumulated Depreciation	-60.00
Net cash provided by Investing Activities	-60.00
FINANCING ACTIVITIES	
N/P Officer / Sam Talari	17,018.04
Related Party Loans: N/P Due to/from FutureWorld	766.64
Related Party Loans: N/P Due to/from HempTech Corp	-58.00
Net cash provided by Financing Activities	17,726.68
Net cash increase for period	3,216.40
Cash at beginning of period	-123.51
Cash at end of period	**3,092.89**

See accompanying notes to consolidated financial statements.

CB SCIENTIFIC INC.
Notes to Condensed Consolidated Financial Statements
30, 2016
(Unaudited)

1. History of the Company and Nature of the Business

"We", "us" and "our" refer to CB Scientific Inc., an Oregon corporation.

On December 11, 2015, the Company changed its name from NET:X America Inc. to CB Scientific Inc.

Nature of Business

The address of our executive offices is: 10901 Roosevelt Blvd, Suite 1000c, Saint Petersburg, FL 33716 and our telephone number at that address is (720) 370-3554. The address of our web site is www.cbscientific.com. The information at our web site is for general information and marketing purposes and is not part of this report for purposes of liability for disclosures under the federal securities laws.

CB Scientific Inc. (CBSC), an Oregon corporation, through its subsidiaries, designs, develops and manufactures Life Science Analytical Tools and Devices, laboratory services, personal analytical kits and devises and CBD hemp oil and nutraceutical formulations for growers, care takers, dispensaries and companies worldwide. CB Scientific, through its subsidiaries, provides personal and professional THC and CBD test kits, pharmaceutical grade CBD oil solutions, SafeVape vaporizers for legal medicinal & recreational cannabis. CB Scientific and its subsidiaries do not grow, distribute or sell marijuana.

CB Scientific Inc. is seeking to acquire minority or full interest in currently operating companies and disruptive technologies in the Industrial Hemp/Medical and Recreational Cannabis Industry globally; such as vaporizers, lab testing, CBD oil, testing kits, dispensaries and other needed components. Our goal is to provide our acquired companies, current and future shareholders a clear strategy for the growth of their companies and their investment in those companies.

We currently provide multiple products that supply the burgeoning cannabis industry. The "picks and shovel" business model capitalizes of selling enterprises associated with the Industrial Hemp and Medical Cannabis industries products that are essential in their success. Our products solve long standing problems in testing, processing, and retail sales for industrial hemp and medical cannabis. The following divisions will continue to delve even further into purchasing existing products or developing brand new products as the wholesale and retail space continues to evolve. In addition, one primary focus is to manufacture, market, and sell products containing hemp derived CBD oil. We are invested in the following portfolio companies as subsidiaries;

NutraCann Labs, Inc, - URVape, Inc, - CB Scientific, Inc. (Colorado) - Bioceutical Sciences

NutraCann Labs Inc.

CBD Oil- CBD is one of at least 60 cannabinoids found in hemp, and is non-psychoactive. The Cannabidiol "CBD" is a compound in cannabis that has significant medical effects, but does not make people feel "high" and can actually counter the psychoactive effects of THC. The reduced psychotropic of CBD-rich cannabis makes it an appealing treatment option for patients seeking anti-inflammatory, anti-pain, anti-anxiety, anti-psychotic, and/or anti-spasm effects without disconcerting lethargy. Scientific and clinical studies underscore CBD's potential as a treatment for a wide range of conditions, including rheumatoid arthritis, diabetes, alcoholism, MS, chronic pain, schizophrenia, PTSD, antibiotic-resistant infections, epilepsy, and other neurological disorders. CBD has demonstrated neuro-protective and neurogenic effects, and its anti-cancer properties are currently being investigated at several academic research centers in the United States and elsewhere.

The present usage for CBD oil in the United States is estimated to be approximately 1,000-2,000 Kilograms a year and growing and with a yearly value of around $200,000,000. Currently, the apparent current competitors are; CannaVest, Inc. and Medical Marijuana, Inc., which own portions of each other's companies, are the primary supplier of CBD oil in the United States. They supply the product

in bulk to affiliate distributors and sell it retail in plastic tubes that are refined up to three levels. Real Scientific Hemp Oil™ is their trademark name.

NutraCann Labs has sourced its own CBD oil from Europe. We are also developing plans to fund an overseas hemp cultivation project to provide a consistent and reliable supply to the United States and beyond. Currently, industrial hemp cultivation is legal in twenty countries around the world. NutraCann's products are sold under the brand name "cbdessence" on CBDESSENCE.COM.

NutraCann Labs will process the CBD oils that will be sold through our online presence for retailing industrial hemp oil-based Cannabidiol (CBD) nutritional supplements, wellness and personal care products and vapable CBD oils. NutraCann Labs will market items such as CBD oil, CBD infused edibles & multiple hemp related items and cross market our vaporizers from URVape.com. NutraCann Labs will be featuring scientific grade hemp oil which is highly sought after around the world. We will sell already recognizable brands including our own brands and drive internet sales through ads, videos, social media and Search Engine Optimization.

The global Nutraceutical market is projected to be in excess of $200 billion by 2015 and the current US Nutraceutical and Dietary supplement market is valued at around $42 billion. CBDESSENCE.com and URCBDOil.com will be at the forefront of this massive marketplace with significant opportunities. Cannabinoids (non-psychoactive CBD) have been found to have antioxidant properties, unrelated to NMDA receptor antagonism. This new found property makes cannabinoids useful in the treatment and prophylaxis of a wide variety of oxidation associated diseases, such as ischemic, age-related, inflammatory and auto-immune diseases.

Cannabinoids are found to have particular application as neuroprotectants, for example in limiting neurological damage following ischemic events, such as stroke and trauma, or in the treatment of neurodegenerative diseases, such as Alzheimer's, Parkinson's and HIV dementia. URCBDOil.com should be live by July 1, 2015 UPDATE). CBDESSENCE.com and URCBDOil.com will assist CB Scientific to generate positive cash flow for both URVape and our CBD oil and CBD infused products offered by NutraCann Labs.

CB Scientific, Inc.

CB Scientific, Inc. a wholly owned subsidiary based in Denver Colorado has developed new technologies specifically for cannabis analytics. CB Scientific introduced the first ever personal cannabinoid detection kits. These kits test all your products in-house and at your own convenience. These tests are quick, easy, and effective. CB Scientific's new PERSONALANALYTICS THC & CBD detection kit is the first simple, quick and accurate consumer THC & CBD test which will give you're an accurate reading of THC or CBD in any product you purchase, manufacture, or grow While many medical and recreational products are sold with cannabinoid levels listed, these numbers are often not representative of what is being sold.

URVape, Inc.

URVape™ is our brand name vaporizer pen which is sold with a charger and refill bottles. We market the product at URVape.com. It is our own trademarked vaporizer being marketed and sold online and in retail shops. The product is cutting edge design and requires puffing on the pen to facilitate battery use. The URVape vaporizing pen is sleek and lightweight. URVape will initially have oil vaporizers available and dry herb versions available in the coming months.

URVape was started to contribute to the current revolution, which has become an international phenomenon, known as the "Vaping" industry. URVape began test marketing OEM branded, off-the-shelf oil vaporizers, whose design and utility was well received, and which promulgated our first vendor agreement in the state of Colorado.

After studying the marketplace, with more than 466 vendors attempting to reach nicotine consumers, we recognized early on that there were unsupported claims and deficiencies in the products and e-liquids being sold. Product deficiencies were noted in the devices being used in combination with e-liquids, which, together could be producing harmful elements. Consequently, these elements are being inhaled as a result of heating the contents of the e-liquids, thereby producing potentially harmful changes to the initial ingredients. As a result, URVape has dedicated itself to providing products that are free of any substances which, when heated for vaping, could be harmful.

URVape has entered into an exclusive Non-disclosure/Non-compete contract with one of the foremost international vaping products manufacturers. Through our in-house Product Development personnel, and through the hiring of a consultant whose area of expertise is microbiology, specific to cannabis and vaping, we have developed two primary device changes that are being patented. These changes are designed to produce safe devices, built with safe materials, and to exact temperature specifications suited to a variety of e-liquids that we will bring to market.

We are also developing new methods of producing, packaging and flavoring a variety of e-liquids with the intention to provide consumers with happy, healthy and potentially curative products.

URVape's plans include the installation of its own laboratory along with a "clean room" for production of its products. The goal is to become the market leader of safe vaping materials. To that end, URVape has Trademarked "SafeVape" for use in describing the technologies utilized in bringing both devices and e-liquids to the marketplace.

The E-cigarette, Cannabis and Herbal vaping industry is an ever growing and evolving industry. Business models need to be constantly adjusted and configured based on all moving parts. But we are fortunate to be part of this historical moment in time where consumers around the globe will finally have access to natural plant derivatives to enhance their health and enjoyment without the inherent side effects of synthetic medicines. URVape will be part of that historical moment creating technologies for the delivery of its specialized, researched products. With the decriminalization and legalization of cannabis for medicinal and recreational use in many states and countries throughout the world the adoption of electronic vaporizing by the world's 1.2 Billion smokers - eCig or vaporizer market is the fastest market within the tobacco (free) industry and estimated to be a multi-billion-dollar industry within a few years.

2. Basis of Presentation, Business and Summary of Significant Accounting Policies

Basis of Presentation

In the opinion of management, all adjustments consisting of normal recurring adjustments necessary for a fair presentation of (a) the results of operations for the three and six months ended June 30, 2016 and 2015: (b) the financial position at June 30, 2016 and June 30, 2015 and (c) cash flows for the three and nine months ended June 30, 2016 and 2015, have been made. Management believes that these estimates are reasonable and have been discussed with the Board of Directors; however, actual results could differ from those estimates.

The accompanying unaudited financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

Our financial statements may not be comparable to companies that comply with public company effective dates. Due to our election not to opt out of the extended transition period that allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. All amounts referenced in these Financial Statements and this Report are in US Dollars unless otherwise stated.

Nature of the Business, and History of the Company and its Subsidiaries

The nature of the business and the history of the Company and its subsidiaries are as follows:

Nature of the Business

CB Scientific Inc. (CBSC), an Oregon corporation, through its subsidiaries, designs, develops and manufactures Life Science Analytical Tools and Devices, laboratory services, personal analytical kits and devises and CBD hemp oil and nutraceutical formulations for growers, care takers, dispensaries and companies worldwide. CB Scientific, through its subsidiaries, provides personal and professional THC and CBD test kits, pharmaceutical grade CBD oil solutions, SafeVape vaporizers for legal medicinal & recreational cannabis. CB Scientific and its subsidiaries do not grow, distribute or sell marijuana.

CB Scientific Inc. is seeking to acquire minority or full interest in currently operating companies and disruptive technologies in the Industrial Hemp/Medical and Recreational Cannabis Industry globally; such as vaporizers, lab testing, CBD oil, testing kits, dispensaries and other needed components. Our goal is to provide our acquired companies, current and future shareholders a clear strategy for the growth of their companies and their investment in those companies.

We currently provide multiple products that supply the burgeoning cannabis industry. The "picks and shovel" business model capitalizes of selling enterprises associated with the Industrial Hemp and Medical Cannabis industries products that are essential in their success. Our products solve long standing problems in testing, processing, and retail sales for industrial hemp and medical cannabis.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts and operations of CB Scientific Inc., and its wholly owned subsidiaries, URVape, Inc., Bioceutical Sciences, and CB Scientific (Colorado).

Basis of Accounting

The Company maintains its financial records and financial statements on the accrual basis of accounting, in conformity with generally accepted accounting principles in the United States of America. The accrual basis of accounting provides for matching of revenues and expenses in the period they were earned and incurred.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all cash accounts that are not subject to withdrawal restrictions or designated for assets acquisitions, and certificates of deposit that have an original maturity of three months or less when purchased, to be cash equivalents. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value of Financial Instruments

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

- *Cash and Cash Equivalents, Accounts Receivable, Prepaid Expenses, Accounts Payable, and Accrued Expenses*:
  The carrying amount reported in the balance sheets for these items approximates fair value because of the short maturity of these instruments.

- *Loans and Notes Payable to Related Parties:*
  The carrying value of loans and notes payable to related parties approximates fair value as each of the notes payable carries an interest rate commensurate with commercial borrowing rates available to the Company.

  As of June 30, 2016, the fair values of the Company's financial instruments approximate their historical carrying amount.

Accounts Receivable

Accounts receivable consist of amounts due for the delivery of Product sales to customers. An allowance for doubtful accounts is considered to be established for any amounts that may not be recoverable, which is based on an analysis of the Company's customer credit worthiness, and current economic trends. Based on management's review of accounts receivable, no allowance for doubtful accounts was considered necessary as of period end. Receivables are determined to be past due, based on payment terms of original invoices. The Company does not typically charge interest on past due receivables. Balances on Current sales are due in 60 days from the date of sale.

Inventory

Inventory consists of finished product, URVape electronic vaporizing cigarettes valued at the lower of cost or market valuation under the first-in, first-out method of costing, PersonalAnalytics testing kits that are also valued at the lower of cost or market valuation under the first-in, first-out method of costing and CBD bulk oil that are also valued at the lower of cost or market valuation under the first-in, first-out method of costing.

Property and Equipment

Property and equipment are recorded at historical cost. Depreciation is computed on the straight-line method over estimated useful lives of the respective assets, ranging from three to seven years. The carrying amount of all long-lived assets is evaluated periodically to determine if adjustment to the depreciation periods or the unamortized balance is warranted. Based upon the Company's most recent analysis, management believes that no impairment of property and equipment exists at June 30, 2016.

Intangible assets

Intangible assets are recorded at cost and amortized over their useful lives. The Company's goodwill associated with its acquisitions is not amortized. Management reviews goodwill for impairment at least on an annual basis and at other times when existing conditions raise substantial questions about their recoverability.

Impairment of Long-Lived Assets

Periodically, the Company assesses the recoverability of the Company's intangible assets, consisting of the Intellectual Property & licensing for Test4 PersonalAnalytics and its trademark, and record an impairment loss to the extent that the carrying amounts of the assets exceed its fair value. Based upon management's most recent analysis, the Company believes that no impairment of the Company's tangible or intangible assets exist at June 30, 2016.

Revenue Recognition

The Company is principally in the business of providing solutions to the cannabis industry that incorporates our URVape, PersonalAnalytics and CBD formulation technologies. Contracts include multiple revenue components, comprised of our product sale, wholesale, formulations services and eCig products. In accordance with ASC 605-25 Multiple-Element Arrangements, revenue from licensing the software will be recognized upon installation and acceptance of the software by customers. Revenue from sale of products (URVape & PersonalAnalytics) will be recognized upon the delivery of the product to our customer. Revenue from professional services arrangements such as CBD formulations will be recognized in the month in which services are rendered over the term of the arrangement.

Revenue associated with product sales to distributors is recognized, net of discounts, when the Company has performed substantially all its obligations under the arrangement. Costs and expenses associated with any deferred revenue are also deferred.

Foreign currency translation

The Company's functional currency and its reporting currency is the United States Dollar.

Cost of Goods Sold

The Company recognizes the direct cost of purchasing product for sale, including freight-in and packaging, as cost of goods sold in the accompanying income statement.

Stock Based Compensation

The Companies estimate the fair value of share-based payment awards to employees and directors on the date of grant using an option-pricing model. For stock-based awards issued to employees and directors, stock-based compensation is attributed to expense using the straight-line single option method, which is consistent with how the prior-period pro-forma were provided. Stock-based compensation expense recognized in the Statements of Operations for the three and nine months ended June 30, 2016 and 2015 included compensation expense for share-based payment awards granted prior to, but not yet vested based on the grant date fair value estimated and compensation expense for the share-based payment awards granted subsequent to January 1, 2015 based on the grant date fair value estimated.

The Company's determination of fair value of share-based payment awards to employees and directors on the date of grant using the Black-Scholes model, which is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to our expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors.

Income Taxes

The Company records federal and state income tax liability at the federal and state rates after allowances. Deferred income taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Tax benefit from an uncertain tax position may be recognized in the financial statements when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized and in subsequent periods.

The Company adopted a policy under which, if required to be recognized in the future, they will classify interest related to the underpayment of income taxes as a component of interest expense and will classify any related penalties in selling, engineering, general and administrating expenses in the statement of operations.

Advertising Costs

Advertising costs are charged to operations as incurred.

Earnings (Loss) Per Share

Basic EPS is calculated by dividing earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during each period. Diluted EPS is similarly calculated, except that the denominator includes common shares that may be issued subject to existing rights with dilutive potential, except when their inclusion would be anti-dilutive.

Based on an estimated current value of the Company's stock being equal to or less than the exercise price of the warrants, none of the shares assumed issued upon conversion of the warrants, nor any of the stock assumed issued under the Company's Incentive Stock Plan are included in the computation of fully diluted loss per share, since their inclusion would be anti-dilutive.

Impact of Recently Issued Accounting Pronouncements

In April 2015, the FASB issued ASU 2015-08, Presentation of Financial Statements and Property, Plant, and Equipment. ASU No. 2015-08 defines a discontinued operation as disposal of components of an entity that represents a strategic shift that has or will have a major effect on an entity's operations. ASU No. 201508 also requires a reporting entity to present the assets and liabilities of a disposal group that includes a discontinued operation separately in the asset and liability sections, respectively, of the statement of financial position for each comparative period. ASU 2015-08 becomes effective for interim and annual periods beginning on or after December 15, 2015. Adoption of ASU 2015-08 is not expected to have a significant impact on the Company's consolidated financial statements.

In August 2015, the FASB issued ASU 2015-15, Presentation of Financial Statements-Going Concern. This statement provides US GAAP guidance on management's responsibility in evaluation whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The ASU is effective for annual periods ending after December 15, 2016 and interim periods thereafter.

In November 2015, the FASB issued ASU 2015-16-Derivatives and Hedging: Determining Whether the Host contract in a Hybrid Financial Instrument issued in the Form of a Share is More Akin to Debt or to Equity. Certain classes of shares include features that entitle the holders to preferences and rights (such as conversion rights, redemption rights, voting powers and liquidation and dividend payment preferences) over the other shareholders. Shares that include embedded derivative features are referred to as hybrid financial instruments, which must be separated from the host contract and accounted for as a derivative if certain criteria are met. This ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2015

Other recent accounting pronouncements issued by the FASB, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

3. Going Concern

For the quarter ended June 30, 2016, the Company incurred a net loss of $203,918 and a cumulative net loss since inception of $7,964,665. As of June 30, 2016, the Company had cash of $13,887 and working capital deficit of $332,317 with which to satisfy any future cash requirements. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company depends upon capital derived from future financing activities such as loans from its officers and directors, subsequent offerings of its common stock or debt financing in order to operate and grow the business either directly or through its subsidiary. There can be no assurance that the Company will be successful in raising such capital. The key factors that are not in the Company's control and that may have a direct bearing on operating results. These factors include, but are not limited to, acceptance of the Company's business plan, the ability to raise capital in the future, the ability to expand its customer base, and the ability to hire key employees to grow the business. There may be other risks and circumstances that management may be unable to predict.

4. Property and Equipment

Property and equipment as of June 30, 2016 and June 30, 2015 were as follows:

	June, 2016	June, 2015
Computer equipment	$	$
Furniture and fixtures	5,606	4,005
	-	-
Accumulated depreciation	(1,362)	(128)
Net	$ 4,244	$ 3,877

5. Intangibles

On May 2, 2015, the Company acquired the assets of MedTest, Inc., including Product Technology for 5,000,000 shares of Common Stock valued at $100,000. CB Scientific also acquired certain Trademarks from FutureWorld Corp. for URVape, Inc., and CB Scientific, Inc. for in April of 2015 valued at $825. The useful lives of the Product Technology and Trademarks have been evaluated to have a useful life of 15 years and are being amortized accordingly per the financial statements. For the three months ended June 30, 2016, the amortization expense for intangible assets was $12,226.82 and $0 respectively.

6. Stock Options and Awards

None

7. Accrued Expenses

Accrued expenses at June 30, 2016 and June 30, 2015 were as follows:

	June 30, 2016	June 30, 2015
Accrued salaries and payroll taxes	$ 0	$ 0
Accrued interest	0	0
Accrued penalties		-
	$ 0	$ 0

8. Related Parties Disclosures

Loan from Saeed (Sam) Talari

Mr. Talari has advanced funds to the Company at various times. On April 1, 2010 the Company issued a promissory note with an initial balance of $306,319 bearing interest at 5%. This note allows Mr. Talari to advance additional funds to the Company as needed. At June 30, 2016 and June 30, 2016, the balance due to Mr. Talari on this Promissory Note is $150,126 and $299,118 respectively, and the accrued interest thereon at June 30, 2016 and June 30, 2016 is $67,511 and $45,048 respectively.

9. Employment Agreements

Sam Talari

On January 1, 2012, the Company entered into a three-year Employment Agreement with Mr. Talari, the Company's Acting Chief Executive Officer, and one of the Company's directors. The Agreement is automatically extended for additional one-year periods without further action from the Company or the executive, unless notice of termination is given by either party within 90 days of the end of any periods. The Agreement provides for (a) a base salary of $8,500 per month, with a 5% increase per annum and (b) all group insurance plans and other benefit plans and programs made available to the Company's management employees. On January 1, 2015, the Company increased Mr. Talari's base salary to $25,000 per month based on a new three years employment agreement.

Karin Rohret

On January 2nd, 2015, the Company entered into an employment agreement with Karin Rohret as part-time Controller. The Agreement provides for (a) a base salary of $1,101.67 per month, (b) a signing bonus of $20,000 by the way of Company's common stock within 30 days of signing the agreement. Additionally, Ms. Rohret will be eligible to receive a grant of 800,000 shares of common stock at founder level with a par value of 0.001. Vesting of the grant shall be at the rate of 200,000 shares on each anniversary from the signing of the agreement.

10. Office Space

During the Company's initial stage, it has limited need for use of office space or equipment. The Company operates out of office space shared by the principals at an allocated cost of $ 2,500 per month.

11. Stockholders' Equity

Preferred Stock: The Company has 100,000,000 shares of $0.001 par value stock Authorized. 10,000,000 shares have been issued or are outstanding as of June 30, 2016.

Common Stock: The Company has 900,000,000 shares of $0.001 par value stock Authorized. As of June 30, 2016, 57,105,263 shares were issued and outstanding.

11. Subsequent Events

None

Item 2. Management's discussion and analysis of financial condition and results of operations

You should read the following discussion and analysis in conjunction with the information set forth under Item 6, Selected Consolidated Financial Data, and our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. The statements in this discussion regarding our expectations of our future performance, liquidity and capital resources, and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Our actual results may differ materially from those contained in or implied by any forward-looking statements. Our significant accounting policies are more fully described in Note 1 to the financial statements. However, certain accounting policies are particularly important to the portrayal of our financial position and results of operations and require the application of significant judgment by our management; as a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on knowledge of our industry, historical operations, terms of existing contracts, and our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate.

Overview

CB Scientific Inc. (CBSC), an Oregon corporation, through its subsidiaries, designs, develops and manufactures Life Science Analytical Tools and Devices, laboratory services, personal analytical kits and devises and CBD hemp oil and nutraceutical formulations for growers, care takers, dispensaries and companies worldwide. CB Scientific, through its subsidiaries, provides personal and professional THC and CBD test kits, pharmaceutical grade CBD oil solutions, SafeVape vaporizers for legal medicinal & recreational cannabis. CB Scientific and its subsidiaries do not grow, distribute or sell marijuana.

Key Elements of Operating and Financial Performance

We monitor the key elements of our operating and financial performance to help us evaluate growth trends, determine investment priorities, establish budgets, measure the effectiveness of our sales efforts and assess operational efficiencies.

Revenue

Currently, we derived all of our revenue from sales of URVape vaporizer pens, PersonalAnalytics test kits, and selling our CBD oil under "NutraCann". In 2016, product revenue represented 100% of our total revenue.

Cost of Revenue and Gross Profit (Loss)

Product cost of revenue consists of third party product costs, including raw materials, component parts and associated freight, and normal yield loss in the period in which we recognize the related revenue. In addition, product cost of revenue may include compensation, benefits and stock-based compensation provided to our personnel, and overhead and other direct costs, which are recognized in the period in which we recognize the related revenue. Further, we recognize certain costs, including logistics costs, expenses for inventory obsolescence, warranty obligations, lower of cost or market adjustments to inventory, and amortization of intangibles, in the period in which they are incurred or can be reasonably estimated.

Service cost of revenue includes compensation and related costs for our yearly maintenance service delivery, customer operations and customer support personnel, facilities and infrastructure cost and depreciation. In accordance with our accounting policies, we recognize service cost of revenue in the period in which it is incurred even though the associated service revenue may be required to be deferred as described under "-Critical Accounting Policies and Estimates-Revenue Recognition."

Our gross profit (loss) varies from period to period based on the volume, average selling prices, and mix of products and services recognized as revenue, as well as product and service costs, expense for warranty obligations, and inventory write-downs. The timing of revenue recognition and related costs, which depends primarily on customer acceptance, can fluctuate significantly from period to period and have a material impact on our gross profit and gross margin results.

Operating Expenses

Operating expenses consist of research and development, sales and marketing, and general and administrative expenses, as well as legal settlement expenses and amortization of acquired intangibles. Personnel-related expense represents a significant component of our operating expenses.

Sales and Marketing

Sales and marketing expense consists primarily of; compensation, benefits, sales commissions and stock-based compensation provided to our sales, marketing and business development personnel, as well as facility costs and other related overhead; marketing programs, including expenses associated with industry events and trade shows; and travel costs.

General and Administrative

General and administrative expense consists primarily of; compensation, benefits and stock-based compensation provided to our executive, finance, legal, human resource and administrative personnel, as well as facility costs and other related overhead; and fees paid for professional services, including legal, tax and accounting services.

RESULTS OF OPERATIONS

Revenues

Total revenue for three months ended June 30, 2016 was $14,239, representing an increase. Substantially all revenue from 2016 was derived from few customers. The decrease in total revenue is attributable to our successful ongoing product development efforts and inventions such as URVape and PersonalAnalytics test kits. We expect to substantially increase our total revenue by marketing our CBD related products and services for the next several quarters.

Selling, General and Administrative Expenses.

Selling, general and administrative expenses for the three months ended June 30, 2016 were approximately $54,762.

Net Loss from Operations. For the quarter ended June 30, 2016, we incurred net losses of $47,482. Losses also include depreciation and amortization, non-cash expenses, in the amount of $12,226 for the quarter ended June 30, 2016, respectively. There were no write downs in 2016.

Compensation and consulting expenses were $13,500 for the three months ended June 30, 2016.

LIQUIDITY AND CAPITAL RESOURCES

We had $3,092 in cash at June 30, 2016, and $285,787 respectively remaining on the lines of credit from Mr. Talari with which to satisfy our future cash requirements. Our management believes that the credit lines will support only limited activities for the next twelve months. The Company depends upon capital derived from future financing activities such as loans from its officers and directors, subsequent offerings of its common stock or debt financing in order to operate and grow the business either directly or through its subsidiary. There can be no assurance that the Company will be successful in raising such capital. The key factors that are not in the Company's control and that may have a direct bearing on operating results. These factors include, but are not limited to, acceptance of the Company’s business plan, the ability to raise capital in the future, the ability to expand its customer base, and the ability to hire key employees to grow the business. There may be other risks and circumstances that management may be unable to predict. We had no other contractual obligation or material commercial commitments for capital expenditures.

Our critical accounting policies include:

Revenue Recognition. Revenue from professional services arrangements will be recognized in the month in which services are rendered over the term of the arrangement. We also recognize revenue from selling URVape vape pens and our THC and CBD testing kits calls, PersonalAnalytics when purchase orders received.

Long-Lived Assets - We depreciate property and equipment and amortize intangible assets, including software development costs over the respective assets' estimated useful life and periodically review the remaining useful lives of our assets to ascertain that our estimate is still valid. If we determine a useful life has materially changed, we either change the useful life or write the asset down or if we determine the asset has exhausted its useful life, we write the asset off completely.

Stock Based Compensation - We account for stock based compensation under the provisions of Statement of Financial Accounting Standards No. 123, (revised 2004) Share-Based Payments. Under the fair value recognition provisions of SFAS 123R, we recognize stock-based compensation expense net of an estimated forfeiture rate and therefore only recognize compensation cost for those shares expected to vest over the service period of the award. Calculating stock-based compensation expense requires the input of subjective assumptions, including the expected term of the option grant, stock price volatility, and the pre-vesting option forfeiture rate. We estimate the expected life of options granted based on historical exercise patterns. We estimate stock price volatility based on historical implied volatility in our stock. In addition, we are required to estimate the expected volatility rate and only recognize expense for those shares expected to vest. We estimate the forfeiture rate based on historical experience of our stock-based awards that are granted, exercised or cancelled.

Income Taxes - We record federal and state income tax liability in accordance with Statement of Financial Accounting Standards No. 109 – Accounting for Income Taxes. Deferred income taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in our opinion, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Recent Accounting Pronouncements

The Company reviews new accounting standards as issued. No new standards had any material effect on these financial statements. The accounting pronouncements issued subsequent to the date of these financial statements that were considered significant by management were evaluated for the potential effect on these consolidated financial statements. Management does not believe any of the subsequent pronouncements will have a material effect on these consolidated financial statements as presented and does not anticipate the need for any future restatement of these consolidated financial statements because of the retro-active application of any accounting pronouncements issued subsequent to June 30, 2016 through the date these financial statements were issued.

Off-Balance Sheet Arrangements

We do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as special purpose entities or variable interest entities, which have been established for the purpose of facilitating off-balance sheet arrangements or other limited purposes.

Management Consideration of Alternative Business Strategies

In order to continue to protect and increase shareholder value management believes that it may, from time to time, consider alternative management strategies to create value for the company or additional revenues. Strategies to be reviewed may include acquisitions; roll-ups; strategic alliances; joint ventures on large projects; and/or mergers.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a Smaller Reporting Company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4. Controls and Procedures

As of June 30, 2016 we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. This evaluation was done under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based on this evaluation of our disclosure controls and procedures (as defined in the Exchange Act Rule 13a-15e), our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2016 such disclosure controls and procedures were not effective.

- We do not have adequate personnel and other resources to assure that significant and complex transactions are timely analyzed and reviewed.
- We have limited personnel and financial resources available to plan, develop, and implement disclosure and procedure controls and other procedures that are designed to ensure that information required to be disclosed in our periodic

reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

- Our limited financial resources restrict our employment adequate personnel needed and desirable to separate the various receiving, recording, reviewing and oversight functions for the exercise effective control over financial reporting.
- Our limited resources restrict our ability to ensure that information required to be disclosed in our periodic reports filed under the Exchange Act is accumulated and communicated to management to allow timely decisions regarding required disclosure.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; provide reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and provide reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Pursuant to Rule 13a-15d of the Exchange Act, management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework (1992) and Internal Control Over Financial Reporting Guidance for Smaller Public Companies (2006), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was not effective as of June 30, 2016.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the company to provide only management's report in this annual report.

Changes in Controls and Procedures

There were no significant changes made in our internal controls over financial reporting during the first year June 30, 2016 that have materially affected or are reasonably likely to materially affect these controls. Thus, no corrective actions with regard to significant deficiencies or material weaknesses were necessary.

Limitations on the Effectiveness of Internal Control

Our management, including the President, does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material errors. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations on all internal control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, and/or by management override of the control. The design of any system of internal control is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in circumstances, and/or the degree of compliance with the policies and procedures may deteriorate. Because of the inherent limitations in a cost-effective internal control system, financial reporting misstatements due to error or fraud may occur and not be detected on a timely basis.

PART II - OTHER INFORMATION

Item 1 Legal Proceedings.

We are not a party to any current or pending legal proceedings.

Item 1A Risk Factors.

As a "smaller reporting company", we are not required to provide the information required by this Item.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds.

None

Item 3 Defaults Upon Senior Securities.

None

Item 4 Removed and Reserved.

None

Item 5 Other Information.

None