BioCube, Inc.

Balance Sheets

		January 31,	
	2016	2015	2014
ASSETS			
Investment in Joint Venture	$ 100,000		
Total Assets	**$ 100,000**	$ -	$ -
LIABILITIES AND STOCKHOLDERS' DEFICIENCY			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	$ 562,813	$ 245,313	$ 252,813
Accrued interest payable	335,605	192,553	138,192
Convertible notes payable, net	1,519,344	1,546,612	1,204,208
Total Current Liabilities	2,417,762	1,984,478	1,595,213
STOCKHOLDERS' DEFICIT:			
Preferred stock - Series A at $0.001 par value: 21,000 shares designated;			
21,000 shares issued and outstanding	21	21	21
Common stock par value $0.001: 300,000,000 shares authorized;			-
58,342,700, 46,842,700 and 44,842,700 shares issued and outstanding, respectively	58,343	46,843	44,843
Additional paid-in capital	1,071,432	881,412	843,412
Accumulated deficit	(3,447,558)	(2,912,754)	(2,483,489)
Total Stockholders' deficiency	(2,317,762)	(1,984,478)	(1,595,213)
Total Liabilities and Stockholders' Deficiency	**$ 100,000**	$ -	$ -
	-	-	

See accompanying notes to the financial statements

BioCube, Inc.

Statement of Operations

	Year ended Januray 31,		
	2016	2015	2014
Operating expenses			
Consulting fees	$ 115,500	$ 30,000	$
Professional fees	25,000	25,000	20,000
Officer salaries	150,000	172,500	180,000
Impairment loss		65,000	
Other expenses	74,520	20,000	5,270
Total operating expenses	365,020	312,500	205,270
LOSS FROM OPERATIONS	(365,020)	(312,500)	(205,270)
OTHER (INCOME) EXPENSE:			
Interest expense, net	169,784	111,692	108,886
Finance cost		5,073	177,792
Change in fair market value of derivatives			(20,462)
Gain on extinguishment of debt			-
Loss on conversion feature			
Total other (income) expense	169,784	116,765	266,216
Net loss	$ (534,804)	$ (429,265)	$ (471,486)
Net loss per common share			
- Basic and diluted:	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average common shares outstanding			
- basic and diluted	54,112,475	45,889,300	45,891,871

See accompanying notes to the financial statements

BIOCUBE, INC.
STATEMENTS OF CASH FLOWS

	Year Ended January 31,		
	2015	**2015**	**2014**
CASH FLOWS USED IN OPERATING ACTIVITIES:			
Net loss	$ (534,804)	$ (429,265)	$ (471,486)
Adjustments to reconcile net loss			
to net cash used in operating activities:			
Noncash compensation	47,520		177,790
Amortization		5,073	
Impairment loss		65,000	(20,462)
(Gain) loss on derivatives			
(Gain) loss on extinguishment of debt			
Expenses paid by shareholder			
Changes in operating assets and liabilities:			
Accrued interest receivable			
Accounts payable and accrued expenses	317,500	217,500	205,233
Accrued interest payable	169,994	111,692	108,886
NET CASH USED IN OPERATING ACTIVITIES	**$ 210**	**(30,000)**	**(39)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of BioCube, Inc.			
NET CASH PROVIDED BY INVESTING ACTIVITIES	210		
CASH FLOWS FROM FINANCING ACTIVITIES:			
Due to related party			
Issuance of common stock			
Proceeds from convertible notes		30,000	
NET CASH PROVIDED BY FINANCING ACTIVITIES	210	30,000	
NET CHANGE IN CASH		-	(39)
CASH - BEGINNING OF THE PERIOD		-	39
CASH - END OF THE PERIOD	$ -	$ -	$ -

Supplemental disclosure of non-cash investing and financing activities:

Conversion of notes payable- related party for common stock	$ 54,000		$ 3,600
Conversion of accrued salary to notes payable-related party		$ 225,000	140,527
Reversal of stock issuance for notes payable-related party			42,856
Conversion of accrued interest to notes payable-related party		57,331	
Investment in Joint Venture	100,000		
Website development for common stock and convertible notes		65,000	
Noncash compensation	47,520		

See accompanying notes to financial statements

BIOCUBE, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIENCY

	PREFERRED STOCK		COMMON STOCK		*ADDITIONAL PAID IN CAPITAL*	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' DEFICIENCY
	SHARES	*AMOUNT*	SHARES	AMOUNT			
Balance - January 31, 2013	21,000	21	50,271,270	50,271	763,223	(2,012,003)	(1,198,488)
Conversion of notes payable - related party			1,714,286	1,714	1,886		3,600
Cancellation of common stoc issued for conversion of notes paybale - related party in January 2013			(7,142,856)	(7,142)	(35,714)		(42,856)
Settlement of derivative liability on conversion of notes payable					3,017		3,017
Derivative liabilty not recognized by Company					111,000		111,000
Net loss - year ended January 31, 2014						(471,486)	(471,486)
Balance - January 31, 2014	21,000	21	44,842,700	44,843	843,412	(2,483,489)	(1,595,213)
Issuance of Common Stock in connection with asset purchase agreement			2,000,000	2,000	38,000		40,000
Net loss - year ended January 31, 2015						(429,265)	(429,265)
Balance - January 31, 2015	21,000	21	46,842,700	46,843	881,412	(2,912,754)	(1,984,478)
Issuance of common stock in connection with:							
Director compensation			2,000,000	2,000	30,400		32,400
Consulting agreement			750,000	750	11,400		12,150
Joint venture agreement			2,000,000	2,000	98,000		100,000
Issuance of stock options to Directors					2,970		2,970
Conversion of notes payable			6,750,000	6,750	47,250		54,000
Net loss - year ended January 31, 2016						(534,804)	(534,804)
Balance - January 31, 2016	21,000	$ 21	58,342,700	$ 58,343	$ 1,071,432	$ (3,447,558)	$ (2,317,762)

See accompaning notes to the financial statements

BioCube, Inc.
Notes to the Financial Statements
January 31, 2016

Note 1. Description of Business

BioCube, Inc. (the "Company") Company through its subsidiary IUT Technologies Inc. ("IUT") plans to market and distribute in North America certain devices for the detection of THC and marijuana on a user's breath and other devices based upon trace gas analyzers for industrial- and environmental monitoring and for solutions in the homeland security and building protection. The Company previously had operated several other marketing and distribution businesses for electrical surge protection devices; aerosol based decontamination systems; and batteries utilizing a proprietary and patented process. These businesses were terminated as each new venture was commenced.

The Company's activities are subject to significant risks and uncertainties, including failing to secure adequate funding to begin marketing efforts as well as to provide funding, as required, in order to operationalize the technology the Company and its subsidiary has rights to in order to distribute such products in North America before another company develops and/or develops similar technology in this territory.

Note 2. Significant Accounting Policies

Basis of Preparation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which assume the continuation of the Company as a going concern. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of liabilities in the normal course of business. Since its formation in April 2009, the Company has been in development stage with only limited marketing activities for its detection devices, as well as, for its prior products (electrical surge protection devices; the aerosol based decontamination system, and batteries); its activities, to date, have been mainly organizational in nature, and have been directed towards the raising of capital and initiating a business plan.

Going Concern

The Company may not be able to execute its current business plan and fund business operations long enough to achieve profitability without obtaining additional financing. The Company's ultimate success depends upon its ability to raise capital. There can be no assurance that funds will be available to the Company when needed from any source or, if available, on terms that are favorable to the Company. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of these uncertainties.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company ' s management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported period. Changes in the economic environment, financial markets, as well as in the battery industry and any other parameters used in determining these estimates could cause actual results to differ.

Cash and Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Impairment of Long-Lived Assets

The Company reviews and evaluates long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The assets are subject to impairment consideration under ASC 360-10-35-17 if events or circumstances indicate that their carrying amounts might not be recoverable. The Company performed impairment analyses using rules of ASC 930-360-35, Asset Impairment, and 360-10-15-3 through 15-5, Impairment or Disposal of Long-Lived Assets and has determined the assets obtained through the its website development contract entered into in July 2014 was impaired due to the change in the Company's business plan when it entered into the Joint Venture Arrangement to distributed equipment in October 2015 (See Note) and recorded a $65,000 charge to impairment loss in the accompanying statement of operations for the year ended January 31, 2015.

Concentration of Credit Risk

The Company may place its cash with various financial institutions and, at times, cash held in depository accounts at such institutions may exceed the Federal Deposit Insurance Corporation insured limit.

Revenue Recognition

Upon initiation of active operations, the Company will recognize revenues when persuasive evidence of an arrangement exists, product has been delivered or services have been rendered, the price is fixed or determinable and collectability is reasonably assured. Revenue will be recognized net of estimated sales returns and allowances.

Income Taxes

The Company accounts for income taxes using a method that requires recognition of deferred tax assets and liabilities for expected future tax consequences of temporary differences that currently exist between tax bases and financial reporting bases of the Company ' s assets and liabilities (commonly known as the asset and liability method). In assessing the ability to realize deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company evaluates its tax positions taken or expected to be taken in the course of preparing the Company ' s tax returns to determine whether the tax positions are " more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are recorded as an expense in the applicable year. The Company does not have a liability for any unrecognized tax benefits. Management's evaluation of uncertain tax positions may be subject to review and adjustment at a later date based upon factors including, but not limited to, an on-going analysis of tax laws, regulations and interpretations thereof.

As of January 31, 2016, 2015 and 2014, the Company has approximately $3,448,000, $2,913,000 and $2,483,000 of net operating loss carry forwards and other taxable temporary differences available to affect future taxable income. The Company has established a valuation allowance equal to the tax benefit of the net operating loss carry forwards and other taxable temporary differences as realization of the asset is not assured.

Utilization of net operating loss carry-forwards arising from our predecessor company (not included in the amounts above) are subject to a substantial annual limitation due to the “change in ownership” provisions of the Internal Revenue Code. The annual limitation may result in the expiration of net operating loss carry-forwards before utilization.

Loss per share

Loss per common share is based upon the weighted average number of common shares outstanding during the periods. Diluted loss per common share is the same as basic loss per share for each of the periods presented, as the effect of potentially dilutive securities at January 31, 2016 (options-550,000; and convertible debentures-189,918,125) are anti-dilutive.

Outstanding options were issued with an exercise price of $.0162 and 5 year terms in February 2015 to the Company’s Directors in connection with the annual Board member compensation program.

New Accounting Pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

Fair Value Measurements

All financial instruments, including derivatives, are to be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired.

The carrying amounts of the Company’s other short-term financial instruments, including accounts payable and accrued liabilities, approximate fair value due to the relatively short period to maturity for these instruments.

The fair value of the Company's financial assets and liabilities reflects the Company's estimate of amounts that it would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from sources independent from the Company) and to minimize the use of unobservable inputs (the Company's assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date and includes those financial instruments that are valued using models or other valuation methodologies.

Level 3 - Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Derivatives

The Company evaluates embedded conversion features within convertible debt under ASC 815 " *Derivatives and Hedging* " to determine whether the embedded conversion feature should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings. The Company uses a Binomial pricing model to estimate the fair value of convertible debt conversion features at the end of each applicable reporting period. Changes in the fair value of these derivatives during each reporting period are included in the statement of operation. Inputs into the Binomial pricing model require estimates, including such items as estimated volatility of the Company's stock, risk-free interest rate and the estimated life of the financial instruments being fair valued.

If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20 "Debt *with Conversion and Other Options*" for consideration of any beneficial conversion feature.

Note 3. Investment in Joint Venture – IUT Technologies, Inc.

On February 10, 2015, the Company entered into a Joint Venture Agreement with IUT Medical GmbH ("IUT"), a German corporation specializing in the research, development and manufacturing of chemical analytic sensors and devices.

The purpose of the Joint Venture Agreement is to form a separate entity that will exclusively distribute a device capable of detecting marijuana in breath worldwide. In addition, the entity will be the exclusive distributor in the United States and Canada for other products manufactured by IUT. Pursuant to the terms of the Joint Venture Agreement, IUT licensed certain intellectual property and know-how to new entity IUT Technologies, Inc. to facilitate the development of the marijuana detection device. In exchange for IUT's obligations and efforts, the Company issued IUT two million (2,000,000) restricted shares of its common stock. The initial ownership of IUT Technologies was allocated 51% to the Company and 49% to IUT. The Joint Venture Agreement is for an indefinite term. (See Note 7. Subsequent Events.)

The investment was recorded based upon the fair value of the Company's shares that issued in connection with the transaction and since operations have not commenced no adjustment has been recorded.

Note 4. Convertible Notes Payable (including to Related Parties)

The Company has issued a number of convertible promissory notes to various parties, which allow the holder to convert the notes into common stock of the Company, at a discount to the current market price of the common stock at the time of conversion. The following details the significant terms of these convertible notes payable, and the balances due net of debt discounts related to the beneficial conversion feature as of the dates shown:

	January 31,		
	2016	2015	2014
	$	$	$
Former Officer/Director - due April 1, 2013[1]	588,387	588,387	663,387
LeadDog Capital (a related party) - due November 5, 2015[2]	232,298	232,298	
Former Officer/Director - due April 1, 2015[1]	225,000	225,000	
Admetus Capital - due April 26, 2016[1][3]	129,259		
Crystal Falls - due May 5, 2015 (2 notes)[2]	100,000	100,000	
Lotus Capital - due January 31, 2015[4]	82,800	82,800	82,800
Blackwater Capital - November 30, 2015[1][3]	59,000	75,000	
Garnick - due October 31, 2014[5]	30,000	30,000	
Innovative Holdings - due August 25, 2015[6]	25,000	25,000	
Lotus Capital - due January 31, 2015[4]	20,000	20,000	14,927
Whitt - due March 7, 2013[4]	21,100	21,100	21,100
Blue Shoes - due December 14, 2013[4]	6,500	6,500	6,500
Former Officer/Director - due April 1, 2014[1]	-	140,527	140,527
Crystal Falls - due May 17, 2013[2]			270,869
Crystal Falls - due September 14, 2013[2]			4,099
	$ 1,519,544	$ 1,546,612	$ 1,204,209

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(1) On November 1, 2012, August 1, 2013 and October 31, 2014, the Company converted $663,387, $140,527 and $225,000, respectively, of accrued salaries due to Boris Rubizhevsky into convertible notes. On April 27, 2014 and on April 27, 2015, the former officer/

transferred a portion of one of the convertible notes due him in the amount of $75,000 to Blackwater Capital and one of the outstanding convertible notes payable to him ($140,527 of principal and $26,732 of related accrued interest) to Admetus Capital.

(2) In November 2014, as a result of a default in meeting the terms of Crystal Fall's 2012 acquisition of the Company's indebtedness to LeadDog Capital, LeadDog reacquired $232,298 indebtedness and related unpaid interest amounting to $57,331. The balance of the indebtedness to Crystal Fall including another note for $4,099 note was rolled into 2 notes aggregating $100,000.

(3) In October 2015, Blackwater and Admetus converted $16,000 and $38,000, respectively, of principle related to the convertible notes payable to it for 4,750,000 shares of the Company's common stock at $.008 per share.

(4) At various times during the three year period ended January 31, 2016, the Company borrowed to secure working capital and issued convertible notes payable.

(5) During the year ended January 31, 2015, The Company entered into a consulting arrangement with Granick which provided for the compensation under the agreement through the issuance of a convertible note for $30,000.

(6) In July 2014, the Company engaged Innovative Holdings Inc. to supply the Company with 2 mobile applications to provide to medical marijuana patients with information to locate nearby doctors and dispensaries and information concerning legal status for medical marijuana in the United States and Canada. Compensation for the assets, etc. was 2 million shares of the Company's common stock and a convertible note in the amount of $25,000. Based upon the quoted market price at the time of the execution of the Agreement, the aggregate purchase price is approximately $45,000.

Interest on the convertible notes payable accrue at rates ranging from 5% to 15. The Company does not recognize the default rate provision on its indebtedness to the former officer/director and no provision for payment of the amount that would accrue under this provision has been included in the accompanying financial statements.

In July 2015, the Company notified all convertible debt holders that it would not honor conversion terms, as applicable, into its common stock at a rate less than $.008 per share because new management was not able to find appropriate documentation of any other terms. Accordingly, the Company stopped accounting for the *derivative liability* which had been recognized for certain of the convertible notes and reactively reclassified the liability balance ($111,000) to *Additional Paid in Capital* in the financial statements for the year ended January 31, 2014.

The convertible notes contain limitations on conversion such that note holders and affiliates generally cannot beneficially own more than 4.99% or 9.99% of the outstanding shares of common stock of the Company

In November, 2012, Crystal Falls assigned $10,714 in principal related to Company indebtedness to it to each of 6 different parties and replacement notes were issued to each of the parties, on the same terms as the original note. Subsequently, in January 2013, the six assignees each converted the replacement notes into 1,785,714 shares of common stock; however, four of the six assignees failed to pay the agreed consideration for the note assignments and the assignment were rescinded as of April 3,

2013. The shares issued as a result of the conversion of the 4 notes, a total of 7,142,856 common shares, were cancelled and are no longer issued and outstanding.

On March 27, 2013, Asher Enterprises converted $3,600 in principal on its promissory note into 1,714,286 shares of common stock, leaving a balance due of $21,100. On April 11, 2013, Asher Enterprises sold the note to Walter D. Whitt.

Note 5. Compensation Arrangements

On November 14, 2014, Mr. Paul Lisak was appointed as the Company's Chairman and CEO and on February 9, 2015 the Company entered into an Executive Employment Agreement, whereby in exchange for his services as Chairman and CEO, the Company is to pay Mr. Lisak $150,000 and 2 million shares of restricted shares of the Company's common stock. For successive terms, the base salary will be increased by an amount equal to not less than 10% times the base salary then in effect. In addition, Mr. Lisak is eligible for an annual bonus in the discretion of the Company's Board of Directors. As of January 31, 2016, the Company has accrued $187,500 for unpaid compensation and, additionally recorded an expense of $32,400 for the shares issued in connection with the agreement.

On February 9, 2015 the Board of Directors ratified, confirmed and approved the entry into a consulting agreement with a member of the Board of Directors. Pursuant to the agreement, the Board member is provide certain requested business, advisory, strategic and administrative services to the Company. In exchange for services to the Company, the Board member is to receive a monthly retainer of $10,500, or $126,000 annually. During the first six (6) months of the agreement, the Company may pay the Board member in the form of non-interest bearing notes convertible into the common stock of the Company at $0.0162 per share. In addition, the Company granted the Board member 750,000 restricted shares of the Company's common stock upon the execution of the agreement. As of January 31, 2016, the Company has accrued $115,500 for unpaid compensation and, additionally recorded an expense of $12,150 for the shares issued in connection with the agreement.

Also on February 9, 2015 the Board of Directors granted the members of the Board a compensation plan that included the issuance of 250,000 options to each to acquire 250,000 shares of the Company's common stock. The options are at exercisable at $0.0162 per share; immediately vested with a term of five (5) years from issuance and can be exercised on a cashless basis. The Company recorded as a noncash charge of $2, 970 related to the issuance of the options during the year ended January 31, 2016.

Note 6. Litigation

In October 2009, Jet One Group, Inc. commenced an action against the Company and several of its former officers, directors and employees in the Supreme Court of New York, Nassau County alleging, among other matters, that the Company fraudulently induced Jet One to enter into a Letter of Intent ("LOI") to acquire Jet One's business and asserts claims for conversion, fraud, tortious interference with contract and violation of the New York consumer fraud statute. The complaint seeks compensatory damages of $15 million, attorneys' fees of $100,000 and punitive damages against each of the defendants in the amount of $45 million. The suit is based on a similar action against the Company and its employees which was dismissed in a Federal Court without prejudice. The State case was dismissed by the Court for failure to prosecute on March 17, 2016. This dismissal also affects the Company's counterclaims against Jet One Jets and its principals. Under the court rules, the plaintiff has one year in which to move to reopen the case. The plaintiff would have to demonstrate good cause for its prolonged failure to prosecute the case.

Except as set forth above, there are no other pending or threatened legal proceedings against the Company and the Company has no claims or other potential matters that could be the subject of legal proceedings by the Company.

Note 7. Subsequent Events

On February 9, 2016, the Board of Directors approved the following annual compensation arrangement for Board service:

- 2,000,000 restricted shares of the Company's common stock;
- Options to acquire 1,000,000 shares of the Company's common stock at an exercise price of $.0392 which shall immediately vest and have a term of five (5) years from issuance and shall be exercisable on a cashless basis;
- $1,500 for each meeting attended in person, including the Annual Meeting of the Shareholders, if on a day other than a scheduled meeting of the Board of Directors;
- $500 for attendance a t a telephonic meeting of the Board of Directors; and
- Maximum of $1,500 per meeting to cover expenses related to the attendance at Board and/or committee.

The Board also extended the employment agreement with the Company Chief Executive Officer, and the financial advisory agreement, with a Board member for two (2) years from their respective expiration dates of January 31, 2016 and February 8, 2016, with increases in the annual rate of compensation of 10% in each year. In addition, the Board authorized the Company to issue convertible notes payable due one year after issuance with interest at 8 percent annually to the Chief Executive Officer and the Board member' if requested, in the amounts of $187,500 and $115,500, respectively, for all accrued on unpaid salary due through January 31, 2016. The notes are to provide a provision for the conversion of the notes into shares of the Company's common stock at $.02 per share.

In February 2016, the Board of IUT Technologies, Inc., a subsidiary of the Company, sold 6,500,000 shares of its common stock. As a result of the sale, the Company's ownership percentage was reduced from 51% to 34%.

On February 12, 2016, the Company issued 2 million shares of its common stock to redeem $16,000 in principal of convertible notes payable to LeadDog Capital LP (a related party).