

CARIBBEAN CASINO AND GAMING CORPORATION

BALANCE SHEET

JUNE 30, 2011

ASSETS:**CURRENT ASSETS:**

CASH ON HAND AND IN BANK	\$94,096
ACCOUNTS RECEIVABLE	41,471
DUE FROM OFFICERS	43,445
TOTAL CURRENT ASSETS	179,012

FIXED ASSETS:

BUILDING EQUIPMENT:

BUILDING SIGNS	\$14,154
DIESEL FUEL GENERATOR	1,677
ELECTRICAL BACK-UP SYSTEM	108,246
CABLE EQUIPMENT	302,256
SAFETY EQUIPMENT	1,330
TELEVISIONS	5,100
TOTAL BUILDING EQUIPMENT	432,763

CASINO EQUIPMENT:

BAR AND KITCHEN EQUIPMENT	13,800
BLACK JACK TABLES	17,269
CASINO CHAIRS	9,824
LIGHTING	69,849
SLOT MACHINES	134,636
TOTAL CASINO EQUIPMENT	245,378

CONSTRUCTION COST:

CASINO	1,718,389
DISCO	5,114
TOTAL CONSTRUCTION COSTS	1,723,503

OFFICE EQUIPMENT:

OFFICE FURNITURE & FIXTURES	19,365
OFFICE COMPUTERS	3,929
TELEPHONE SYSTEM	14,655
TOTAL OFFICE EQUIPMENT	37,949

TOTAL FIXED ASSETS	2,439,593
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LESS: ACCUMULATED DEPRECIATION	(381,493)
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TOTAL FIXED ASSETS	2,058,100
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OTHER ASSETS:

ADMINISTRATIVE LICENSES	28,571
OPERATION LICENSES	19,429
SLOT MACHINE IMPORT LICENSE	46,645

CARIBBEAN CASINO AND GAMING CORPORATION
BALANCE SHEET
JUNE 30, 2011

	94,645	
LESS: ACCUMULATED AMORTIZATION	<u>(12,220)</u>	
	82,425	
INVESTMENT IN NEW OPERATIONS	<u>739,203</u>	
TOTAL OTHER ASSETS		821,628
TOTAL ASSETS		<u><u>\$3,058,740</u></u>
LIABILITIES AND STOCKHOLDER EQUITY:		
LIABILITIES		\$0
STOCKHOLDER'S EQUITY:		
SERIES A CONVERTIBLE PREFERRED STOCK, 20,000 SHARES AUTHORIZED WITH A PAR VALUE OF \$0.001; 5,333 SHARES ISSUED AND OUTSTANDING	\$5	
SERIES A-1 CONVERTIBLE PREFERRED STOCK, 500,000 SHARES AUTHORIZED WITH A PAR VALUE OF \$0.001; 450,000 SHARES ISSUED AND OUTSTANDING	450	
SERIES B PREFERRED STOCK, 5,000 SHRES AUTHORIZED WITH A PAR VALUE OF \$0.001; 5 SHARES ISSUED AND OUTSTANDING	0	
SERIES B-1 CONVERTIBLE PREFERRED STOCK, 500,000 SHARES AUTHORIZED WITH A PAR VALUE OF \$0.001; 40,000 SHARES ISSUED AND OUTSTANDING	40	
COMMON STOCK, 500,000,000 SHARES ISSUED AUTHORIZED WITH A PAR VALUE OF \$0.001; 265,541,894 SHARES ISSUED AND OUTSTANDING	265,542	
ADDITIONAL PAID IN CAPITAL	3,442,628	
RETAINED EARNING	<u>(649,925)</u>	
TOTAL STOCKHODER'S EQUITY		<u><u>3,058,740</u></u>
TOTAL LIABILITIES AND STOCKHOLDER' EQUITY		<u><u>\$3,058,740</u></u>

CARIBBEAN CASINO AND GAMING CORPORATION
 PROFIT AND LOSS
 FOR THE PERIOD APRIL 1 TO JUNE 30, 2011

INCOME:

CASINO GAMES:

BLACK JACK	\$21,786
LET IT RIDE/ 3 CARD POKER	11,085
TEXAS HOLDEM POKER	9,711
ROULETTE	39,366
SLOT MACHINES	47,845

TOTAL CASINO GAMES INCOME		<u>\$129,793</u>
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OTHER INCOME SOURCES:

BAR	3,566
DISCO	91,838
LUPERON CASINO	0

TOTAL OTHER INCOME		<u>95,404</u>
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TOTAL INCOME		<u>225,197</u>
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COST OF GOOD:

PURCHASES BAR AND DISCO	<u>59,299</u>
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TOTAL GROSS PROFIT		<u>165,898</u>
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OPERATING EXPENSES:

MANAGEMENT FEES	0
GENERAL AND ADMINISTRATIVE EXPENSES	202,269
PAYROLL	50,510
RENT	50,000
DEPRECIATION EXPENSES	60,928
AMORTIZATION EXPENSES	2,396

TOTAL EXPENSES		<u>366,103</u>
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NET PROFIT OR (LOSS) FROM OPERATIONS		<u><u>(\$200,205)</u></u>
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CARIBBEAN CASINO AND GAMING CORPORATION
STATEMENT OF CASH FLOW
FOR THE PERIOD APRIL 1 TO JUNE 30, 2011

OPERATING ACTIVITIES:

NET INCOME (LOSS) FOR THE PERIOD	(\$200,205)
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NON CASH EXPENSES:

DEPRECIATION	60,928
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AMORTIZATION	2,396
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NET CASH PROVIDED BY OPERATING ACTIVITIES	(136,881)
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INVESTING ACTIVITIES:

FIXED ASSETS - SLOT MACHINES	1,576
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NEW CASINO LOCATIONS	293,159
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NET CASH DECREASE FOR PERIOD	294,735
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FINANCING ACTIVITIES:

SALES OF COMMON STOCK	27,161
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ADDITIONAL PAID IN CAPITAL	476,339
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NET CASH INCREASE/DECREASE FOR THE PERIOD	71,884
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CASH AT BEGINNING OF PERIOD	22,212
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CASH AT END OF PERIOD	\$94,096
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CARIBBEAN CASINO AND GAMING CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD APRIL 1, 2011 TO JUNE 30, 2011

CONVERTIBLE PREFERRED STOCK - SERIES A	
BALANCE AT APRIL 1, 2011	\$ 5
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	
SHARES ISSUED FOR SERVICES	
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BALANCE AT JUNE 30, 2011	<u><u>\$ 5</u></u>
CONVERTIBLE PREFERRED STOCK - SERIES A-A	
BALANCE AT APRIL 1, 2011	\$ 450
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	
SHARES ISSUED FOR SERVICE	
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BALANCE AT JUNE, 2011	<u><u>\$ 450</u></u>
CONVETIBLE PREFERRED STOCK - SERIES B	
BALANCE AT APRIL 1, 2011	\$ -
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	
SHARES ISSUED FOR SERVICES	
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BALANCE AT JUNE 30, 2011	<u><u>\$ -</u></u>
CONVERTIBLE PREFERRED STOCK - SERIES B-1	
BALANCE AT APRIL 1, 2011	\$ 40
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	
SHARES ISSUED FOR SERVICES	
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BALANCE AT JUNE 30, 2011	<u><u>\$ 40</u></u>
COMMON STOCK	
BALANCE AT APRIL 1, 2011	\$ 238,140
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	27,161
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BALANCE AT JUNE 30, 2011	<u><u>\$ 265,301</u></u>

CARIBBEAN CASINO AND GAMING CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD APRIL 1, 2011 TO JUNE 30, 2011

ADDITIONAL PAID IN CAPITAL	
BALANCE AT APRIL 1, 2011	\$ 2,966,289
SHARES ISSUED TO INVESTORS	\$476,339
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BALANCE AT JUNE 30, 2011	<u><u>\$ 3,442,628</u></u>
RETAINED EARNINGS	
BALANCE AT APRIL 1, 2011	\$ (449,720)
NET LOSS FOR THE THREE MONTH PERIOD	<u>(200,205)</u>
BALANCE AT JUNE 30, 2011	<u><u>(\$649,925)</u></u>

CARIBBEAN CASINO AND GAMING CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF BUSINESS: The Company was incorporated in 2009 under the laws of the State of Florida. The Company operates a gaming casino, located in the city of Sousa, in the Dominican Republic.

BASIS OF ACCOUNTING: These financial statements have been prepared under the cash method of accounting.

REVENUE RECOGNITION: The Company recognizes revenue under the cash method of accounting. On a daily basis the Company records the net income or loss from each gaming table. The income earned by the Disco for both admissions and liquor sales are also recorded daily. Income is earned in both United States Dollars and Dominican Republic Pesos. For reporting purposes, Dominican Republic Pesos are converted into United States Dollars at thirty seven point eight (37.8) to one.

INCOME TAXES: There has been no provision for income tax expenses as the Company is currently operating at a loss and has no income tax liability.

PROPERTY AND EQUIPMENT: Property and equipment are stated at cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. The estimated useful lives range from 3 to 10 years. Depreciation expense for the three month period ended June 30, 2011 totaled \$60,918 and is included in operating expenses.

Expenditures for additions are capitalized and expenditures for maintenance and repairs are charged to income as incurred.

OTHER ASSETS: Other assets are stated at cost. Amortization is computed over the United States Tax Guidelines, for intangible assets. The guideline life is 15 years. Amortization expense for the three month period ended June 30, 2011 totaled \$2,396 and is included in operating expenses.

NOTE B - CASH

Cash consists of demand deposits with banking institutions, and cash held by the Casino for operations. At June 30, 2011 the Company did not have any funds in excess of \$250,000 federally insured limit.

NOTE C - INVESTMENT IN EW CASINOS AND OPERATIONS

As of December 31, 2010 the Corporation opened a new casino in the town of Luperon in the Dominican Republic. The first day of operations was December 31, 2010.

NOTE C - CONVERTIBLE PREFERRED STOCK

Series A Convertible Preferred Stock consists of 505,333 shares. The Series A Convertible Preferred

CARIBBEAN CASINO AND GAMING CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

stock, shall be senior to the common stock and is designated at 5,333 shares Series A and 500,000

shares Series A-1. Series A Convertible Preferred Stock shall be convertible at the option of the holders, into 18 shares of fully paid and non-assessable shares of Common Stock. The Series A-1, is only convertible upon the closing of equity and/or debt financing, which is equal to or greater than \$5,000,000, and automatically upon a Qualified Public Offering. The convertible shares shall convert to that number of fully paid and non-assessable shares of Common Stock which together with the Common Stock held by the owner of the Series A-1 Preferred stock constitutes fifty-five percent (55%) of the outstanding Common Stock on a fully diluted basis.

Series B Convertible Preferred Stock consists of 500,005 shares. The Series B Convertible Preferred stock, shall be senior to the common stock and is designated as 5 shares Series B and 500,000 shares Series B-1. Series B Convertible Preferred Stock shall be convertible at the option of the holders, into 2 shares of fully paid and non-assessable shares of Common Stock. The Series B-1, is only convertible upon the closing of equity and/or debt financing, with is equal to or greater than \$500,000, and automatically upon a Qualified Public Offering. The convertible shares shall convert to that number of fully paid and non-assessable shares of Common Stock which together with the Common Stock held by the owners of the Series B-1 Preferred stock constitutes ten percent (10%) of the outstanding Common Stock on a fully diluted basis.