Platinum Pari-Mutuel Holdings, Inc. and Subsidiaries

Consolidated Financial Statements

As of and for the Three Months Ended March 31, 2016 and 2015

Item 12: **Financial Statements for the issuers most recent year end.**

The financial statements presented are for the three months ended March 31, 2016 and 2015

PLATINUM PARI-MUTUEL HOLDINGS, INC. AND SUBSIDIARIES
BALANCE SHEETS
AS OF MARCH 31, 2016 and DECEMBER 31, 2015
UNAUDITED

	2016	2015
ASSETS:		
Cash	$ 22	$3,339
Accounts receivable	9,234	3,499
Total current assets	$9,256	$6,838
Equipment and Software Net of accumulated depreciation of $79,242	334,952	334,952
Total Assets	$344,208	$341,790
LIABILITIES:		
Accounts payable	$137,599	$133,506
Accrued interest payable	232	212
Deferred Income	130,000	130,000
Notes payable – short term	1,000	1,000
Total Current Liabilities	$268,831	$264,718
STOCKHOLDERS' EQUITY:		
Common stock, authorized 4,000,000,000, par value $0.001, 92,554,871	92,555	92,555
Additional paid in capital	1,487,824	1,487,824
Accumulated deficit	(1,505,002)	(1,503,307)
Total Stockholders' Deficit	$75,377	$77,072
Total Liabilities and Stockholders' Deficit	$344,208	$341,790

The accompanying notes are an integral part of these consolidated financial statements

PLATINUM PARI-MUTUEL HOLDINGS, INC. AND SUBSIDIARIES
INCOME STATEMENTS
FOR THE MONTHS ENDED MARCH 31,
UNAUDITED

	2016	**2015**
Revenue	$25,475	$ -
Cost of Sales	22,384	-
Gross Profit	$ 3,091	$ -
General and administrative expense	$ 2,214	$59,186
Net profit (loss) from operations	$ 877	($59,186)
Interest expense	2,572	1,562
Net Loss	($1,695)	($60,748)
Weighted average loss per share	($0.00)	($0.00)
Weighted average shares outstanding	92,554,871	47,907,817

The accompanying notes are an integral part of these consolidated financial statements

PLATINUM PARI-MUTUEL HOLDINGS, INC. AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31,
UNAUDITED

	2016	2015
Cash Flows from Operating Activities:		
Net loss	($1,695)	($60,748)
Adjustments to reconcile net income to net cash		
Used by operating activities:		
Common stock issued for compensation	-	47,873
Changes in operating assets and liabilities:		
Accounts receivable	(5,735)	-
Accounts payable and accrued liabilities	4,113	12,875
Net cash used by operations	$ 22	$ -
Cash Flows from Investing Activities:		
Net cash used in Investing Activities	-	-
Net Cash Provided by Financing Activities	-	-
Net decrease in cash:	($3,317)	-
Cash- Beginning of year	3,339	-
Cash – End of Period	$ 22	-
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash Paid for Interest	-	-
Issuance of shares of common stock to settle notes payable, accrued interest, and other debt	$252,475	$252,475

The accompanying notes are an integral part of these consolidated financial statements

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

Organization and Nature of Business – Platinum Pari-Mutuel Holdings, inc. (the “Company’) is a development stage company, which is publically traded on OTC Markets under the ticker symbol PPMH and was originally formed in the state of Colorado on October 10, 1997 under the name Golden Chain Marketing, Inc. The Company’s name was changed to Virtuallender.com, Inc. in February 1999 and again in December 1999 to VLDC Technologies, Inc. The Company’s name was further changed to JTS International, Inc in January 2006, and again to Fuji Construction Company International, Inc. in February 2008, then to Hokutou Holdings International, Inc. in November 2008 before being changed to its current name Platinum Pari-Mutuel Holdings, Inc. in May 2014. The Company was previously a nutraceutical company, which distributed a product line of anti-aging supplements to consumers throughout the United States. In the second and third quarters of 2012, the Company was engaged in developing new supplements. Buy the end of 2012, the development of new supplements become uneconomical and the Company began to seek other more efficient and effective revenue generating opportunities.

In November 2013, the Company purchased a corporation known as Platinum Pari-Mutuel Group, Inc. (“Platinum’). In return for restricted common stock of the Company, Platinum sold 100% of its stock to the Company and became the Company’s wholly-owned subsidiary. Platinum owns and has operated an online gaming hub, capable of supporting multiple game applications. Platinum has designed a game application that will allow users to follow and share information regarding the fast-paced global financial marketplace and to compete against each other in a traditional racing format known as “stock-racing”. Platinum has a hub computer operation located in St. Kitts to facilitate the transaction processing. This location provides Platinum the to service both domestic (U.S.) and international markets simultaneously, but separately, since the rules and regulations of these jurisdictions may differ. U.S. domestic play will be "for fun" only because most for real money online gaming is illegal, while most international jurisdictions will allow "for real money" play.

If the U.S. market opens up "for real money" in this application, Platinum is poised to offer such services to their players. The system is based on a pari-mutuel wagering system ("pari-mutuel" is a French word, loosely interpreted, meaning "betting amongst ourselves") where the operator takes a percentage of sales to pay the costs (expenses, marketing, profit, etc.) and the rest is paid back to the players. The typical risk management restrictions that are common in most other non-pari-mutuel models are not required in this business model.

The key management of Platinum has extensive relationships within the gaming industry from owning race horses to financial reconciliations with host racing facilities to technical land regulatory backgrounds in multiple gaming applications. The "man years" involved with the gaming industry by these key personnel is well in excess of 75 man years.

The Company will provide Platinum's stock racing system for both internet gambling users and social media uses who do not wish to gamble for money but who enjoy the social media aspects of the game. Platinum believes that the game is fast-paced and exciting while providing a social media platform where the user community will be able to discuss the financial markets and financial instruments, users will be able to compete against each other in contests that involve pick the best or worst performing racers. Because of current internet gaming laws in the United States, Platinum offers U.S. users the opportunity to play "for fun" contests that are comprised of single or multiple races. Platinum plans to offer a portfolio contest structured like fantasy football, but instead of drafting players, users will compete with their fantasy portfolios of securities.

In July 2014, the Company changed its corporate domicile from Colorado to Nevada.

During the last quarter of 2015 the Company began generating revenue from its online pari-mutuel wagering system

Going Concern **–** The Company has an accumulated deficit of $1,505,002 and stockholders' equity of $75,377 at March 31, 2016. The Company also has net profit attributable to operations of $877 during the three months ended March 31, 2016 and a loss of $60,748 during the three months ended March 31, 2015, cash flows from operating activities of $22 during the three months ended March 31, 2016 and working capital of ($259,575) at March 31, 2016 and ($227,880) at December 31, 2015. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amount of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's ability to continue as a going concern depends on its ability to deploy technology for its core businesses that generates sufficient revenue and cash flows to meet its obligations and on its ability to obtain additional financing or sell assets as may be required to fund current operations. Management's plans include generating income from the Company's various pari-mutuel licensing and operational programs to permit the Company to generate sufficient cash flows to continue as a going concern. There is no assurance these plans will be realized.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. These same estimates may affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual amounts and results could differ from those estimates.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts and transactions of Platinum Pari-Mutuel Holdings and its subsidiaries, Platinum Pari-Mutuel Group, Inc. and Platinum Pari-Mutuel Games, Ltd. All significant intercompany transactions have been eliminated in consolidation.

Fair Value of Financial Instruments – In the first quarter of 2008, the Company adopted the Fair Value Measurements and Disclosures standard issued by the Financial Accounting Standards Board ("FASB") for financial assets and liabilities and elected the deferral option available for one year for non-financial assets and liabilities. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). On January 1, 2009, the Company adopted the remaining provisions as it relates to nonfinancial assets and liabilities that are not recognized or disclosed at fair value on a recurring basis. The adoption of the remaining provisions did not materially impact the Company's consolidated financial statements. As permitted in 2008, the Company chose not to elect the fair value option as prescribed by FASB for its financial assets and liabilities that had not been previously carried at fair value. The carrying amounts reported in the balance sheets for current assets and current liabilities approximate fair value due to their short-term nature. The carrying amounts reported for long-term debt approximate fair value because the underlying instruments bear interest rates which approximate current market rates for obligations with similar terms.

Cash **–** The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

Trade Accounts Receivable **–** Accounts receivable are stated at the amount the Company expects to collect. The Company regularly reviews its accounts receivable and makes provisions for potentially uncollectible balances. Uncollectible balances are written off against the allowance after extensive efforts of collection and when balances are deemed uncollectible. Recoveries of trade receivables previously written off are recorded when cash is received. A trade receivable is considered to be past due if any portion of the receivable balance has not been received by the Company within its normal terms.

Property and Equipment – Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the asset, which range from six to ten years.

Maintenance and repairs of equipment are charged to operations and major improvements are capitalized. Upon retirement, sale, or other disposition of equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

Impairment of Long-lived Assets – The Company periodically reviews the carrying value of its long-lived assets in relation to historical results, as well as management's best estimate of future trends, events and overall business climate. If such reviews indicate that the carrying value of such assets may not be recoverable, the Company will then estimate the future cash flows generated by such assets (undiscounted and without interest charges). If such future cash flows are insufficient to recover the carrying amount of the assets, then impairment is triggered and the carrying value of any impaired assets would then be reduced to fair value.

Income Taxes – The Company recognizes an asset or liability for the deferred tax consequences of all temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. Temporary differences will result in taxable or deductible amounts in future years when the amounts reported in the financial statements are recovered or settled. These deferred tax assets or liabilities are measured using the tax rates that are anticipated to be in effect when the differences are expected to reverse. Deferred tax assets are reviewed periodically for recoverability and a valuation allowance is provided as necessary.

Basic and Diluted Loss Per Common Share – Basic loss per common share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted loss per common share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares and the dilutive potential common share equivalents then outstanding. As of March 31, 2016 and 2015 there were 92,554,871 and 47,907,817 weighted average common shares outstanding, respectively.

Shareholders' Equity – At March 31, 2016 and December 31, 2015 the Company was authorized to issue 4,000,000,000 shares of common stock at a par value of $0.001 per share and had 92,554,871 common shares issued and outstanding, of which 20,230,753 common shares were issued and are presently under dispute and therefore stop payment orders have been issued against these shares.

***Reverse Stock Split* –** On February 7, 2015, the Company executed an 100 to 1 reverse stock split.

***Issuance of Restricted Shares of Common Stock* –** On February 14, 2015, the Board of Directors authorized the issuance of 50,794,240 restricted shares of common stock to retire $159,507 of promissory notes and accrued interest and $15,384 of other liabilitie15s.

***Issuance of Unrestricted Shares of Common Stock* –** On February 14, 2015, the Board of Directors authorized the issuance of 24,500,000 unrestricted shares of common stock to retire $86,333 of promissory notes.

***Issuance of Restricted Shares of Common Stock* –** On February 14, 2015, the Board of Directors authorized the issuance of 14,000,000 restricted shares of common stock for back compensation through January 31, 2015, not previously paid to its officers and directors.

Reclassifications – Certain prior year amounts have been reclassified to conform to the current year presentation. Shares outstanding have been adjusted to show the impact of the 100 to 1 reverse stock split of February 7, 2015.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of:

	Mar. 31, 2016	Dec. 31, 2015
Equipment	$ 185,088	$ 185,088
Software	229,106	229,106
	414,194	414,194
Less: Accumulated depreciation	79,242	79,242
	$ 334,952	$ 334,952

Depreciation expense was $0 for the three months ended March 31, 2016.

NOTE 4 – NOTES PAYABLE

Notes payable consist of:

	Mar. 31, 2016	Dec 31, 2015
8% note payable, due May 2014	1,000	1,000
Total notes payable less unamortized discount	1,000	1,000
Less: current portion	1,000	1,000
Long-Term Notes Payable	$ -	$ -