

Transnational Automotive Group, Inc.
Balance Sheet
November 30, 2012 and 2013
(internally prepared and unaudited)

	<u>November 30, 2012</u>	<u>November 30, 2013</u>
<u>Assets</u>		
Cash	0	\$ 6,300
Total Assets	<u>\$ -</u>	<u>\$ 6,300</u>
<u>Liabilities and Stockholders' Deficit</u>		
<u>Liabilities</u>		
Notes Payable to Related Party	235,000	\$ 235,000
Payable to Related Party including accrued int	<u>105,362</u>	<u>190,136</u>
Total Liabilities	<u>340,362</u>	<u>425,136</u>
<u>Stockholders' Deficit</u>		
Common Stock		
200,000,000 shares authorized		
Issued and outstanding:		
367,308 at November 30, 2012	51,679	
28,699,908 at November 30, 2013		54,512
Additional Paid-in capital	16,137,286	16,137,286
Accumulated deficit	(16,353,857)	(16,435,164)
Other comprehensive (loss)		
foreign currency	<u>(175,470)</u>	<u>(175,470)</u>
Total Stockholders' deficit	<u>(340,362)</u>	<u>(418,836)</u>
Total Liabilities and Stockholders' deficit	<u>\$ -</u>	<u>\$ 6,300</u>

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

Transnational Automotive Group, Inc.
Income Statement
For the Three months Ended November 30, 2012 and 2013
(internally prepared and unaudited)

	<u>Three months November 30, 2012</u>	<u>Three months November 30 2013</u>
Revenues	\$ -	\$ -
General and Administrative Expenses	4,376	17,549
Interest Expense	<u> </u>	<u>57,042</u>
Net (loss) before income taxes	\$ <u>(4,376)</u>	\$ <u>(74,591)</u>

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

Transnational Automotive Group, Inc.
Income Statement
For the Nine months Ended November 30, 2012 and 2013
(internally prepared and unaudited)

	<u>Nine months November 30, 2012</u>	<u>Nine months November 30 2013</u>
Revenues	\$ -	\$ -
General and Administrative Expenses	4,376	19,889
Interest Expense	<u> </u>	<u>57,042</u>
Net (loss) before income taxes	\$ <u>(4,376)</u>	\$ <u>(76,931)</u>

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

Transnational Automotive Group, Inc.
Statement of Cash Flows
For the Nine months Ended November 30, 2012 and 2013
(internally prepared and unaudited)

	<u>Nine months ended November 30, 2012</u>	<u>Nine months ended November 30, 2013</u>
Cash Flows from Operating Activities		
net loss	\$ (4,376)	\$ (76,931)
Increase in Notes Payable to related party	85,000	
Increase/(Decrease) in payables to related party	(80,624)	80,398
Cash Flows from Financing Activities		
Common Stock issued for services		1,753
Common Stock issued on note conversion		1,080
Net increase/(decrease) in cash	\$ -	6,300
Cash balance, beginning of year		
Cash balance, end of year	-	6,300

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

Transnational Automotive Group Inc.
Statement of Stockholders' Deficit
For the three months ended November 30, 2012 and November 30, 2013
(internally prepared and unaudited)

	Shares	Amount	Additional Paid-in capital	Accumulated Deficit	Comprehensive Loss
Balance August 31, 2012	367,308	\$ 51,679	\$ 16,137,286	\$ (16,353,857)	\$ (175,470)
net loss for period				0	
Balance November 30, 2012	367,308	\$ 51,679	\$ 16,137,286	\$ (16,353,857)	\$ (175,470)
Balance August 31, 2013	367,308	\$ 51,679	\$ 16,137,286	\$ (16,360,573)	\$ (175,470)
shares issued upon conversion of portion of convertible note	10,800,000	1,080			
shares issued for services	17,532,600	1,753			
net loss				(74,591)	
Balance November 30, 2013	28,699,908	\$ 54,512	\$ 16,137,286	\$ (16,435,164)	\$ (175,470)

Transnational Automotive Group Inc.
Statement of Stockholders' Deficit
For the nine months ended November 30, 2012 and November 30, 2013
(internally prepared and unaudited)

	Shares	Amount	Additional Paid-in capital	Accumulated Deficit	Comprehensive Loss
Balance March 1, 2012	367,308	\$ 51,679	\$ 16,137,286	\$ (16,349,481)	\$ (175,470)
net loss for period				(4,376)	
Balance November 30, 2012	367,308	\$ 51,679	\$ 16,137,286	\$ (16,353,857)	\$ (175,470)
Balance March 1, 2013	367,308	\$ 51,679	\$ 16,137,286	\$ (16,358,233)	\$ (175,470)
shares issued upon conversion portion of convertible note	10,800,000	1,080			
shares issued for services	17,532,600	1,753			
net loss				(76,931)	
Balance November 30, 2013	28,699,908	\$ 54,512	\$ 16,137,286	\$ (16,435,164)	\$ (175,470)

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

Transnational Automotive Group Inc.
Notes to financial statements
November 30, 2013

General

The Accompanying Financial Statements have been prepared from the books and records of the Company and have not been subject to independent review and audit. The financials reflect all adjustments known to management necessary to fairly reflect the results of operations and financial position of the Company for the periods presented.

Description of Business

Transnational Automotive Group Inc and its subsidiaries were engaged in the development and operation of mass public transportation in Cameroon Africa in 2008. The Company sustained substantial losses which in the wake of the financial crisis of 2008 could no longer be funded. Operations were abandoned or taken over by the host country due to difficulties with local financing and with local management. All assets on the Company's balance sheet as of the last reporting date of November 30, 2008 were taken over by the host country, the local management or were lost.

Most liabilities reported on the November 30, 2008 balance sheet became unenforceable obligations as a result of the expiration on enforceability under the statute of limitations.

Liabilities reported on the attached financial statement consist of advances from entities associated with shareholders or as a result of expenditures made by now affiliated companies, mostly for legal fees, in connection with lawsuits and other past business activities of the Company.

The Company re-formed with new management in 2013 and resumed its plan of operations, including acquisition and development of urban and rural infrastructures and exploitation of natural resources through partnerships and joint ventures.

Notes Payable

In June, 2012, an advance from an affiliated entity was converted to a promissory note due in June 2016, bearing annual simple interest of 10% and with a portion to be determined to be convertible into shares of the Company's stock at \$.0001 per share, subject to the approval of the Board of Directors. Under the terms of the note agreement, the noteholders must give the Company 60 day notice of their intent to convert the note to stock. The Company can either prepay the note within the 60 day notice period or allow the conversion to occur.

In June, 2012, a portion of the advances from a different affiliated entity or related party was converted to a promissory note due in June 2016, bearing annual simple interest of 10%. Interest and principal are convertible into shares of the Company's stock at \$.0001 per share. Under the terms of the note agreement, the noteholders must give the Company 60 day notice of their intent to convert the note to stock. The Company can either prepay the note within the 60 day notice period or allow the conversion to occur, subject to the approval of the Board of Directors. Conversion of accrued interest of \$1,080 for 10,800,000 shares occurred in November, 2013.

Equity Transactions

In January, 2012, the Company declared a reverse 300-to-one stock split, reducing the number of shares outstanding to its present level.

The Company had 15,692,273 warrants outstanding to purchase its common stock as of February 29, 2008. The warrants had a weighted average exercise price of \$1.50. No warrants were exercised, and all expired by 2012.

In November, 2013, the Company entered consulting contracts with affiliated entities, board members and managers, issuing 17,532,600 shares in compensation.

In November, 2013, the Company issued options to purchase 4.5 million shares of its common stock exercisable over three years at \$.01 per share to managers and other affiliated entities. Subject to Board approval of final terms, the options vest upon issuance and are exercisable over a 3 year period.

Commitments and Contingencies

Prior to 2012, the Company was involved in several lawsuits over various aspects of its operations. Those lawsuits have all been settled or resolved. Management believes there are no further legal actions pending against the Company.

Income Taxes

The Company last filed an income tax return for the year ended February 29, 2008 and is delinquent in its filing of Federal and State tax returns that may be due since that time. It cannot be presently estimated what, if any tax liability or any interest or penalties will be incurred for the delinquent years.

The Company had a net operating loss carryforward of \$3.8 million as of February 29, 2008. Subsequent transactions including the loss of assets and the cancellation of debt may have a major impact on this figure, possibly giving rise to taxable income if losses cannot be offset against it.

No estimates can be presently made for these contingencies.