

**FLAMERET, INC.**  
**(A Development Stage Company)**  
**Balance Sheets**  
**(Unaudited)**

**ASSETS**

	<b>February 28, 2014</b>	<b>August 31, 2013</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 193	\$ 1
Prepaid expenses	-	-
Total Current Assets	<u>193</u>	<u>1</u>

**LIABILITIES AND STOCKHOLDERS' (DEFICIT)**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	420,668	334,553
Accrued interest payable	112,653	105,784
Accrued salaries	576,651	478,251
Notes payable - related parties	147,935	147,935
Notes payable - non-related parties	182,650	182,650
Total Current Liabilities	<u>1,440,557</u>	<u>1,249,173</u>
<b>TOTAL LIABILITIES</b>	<u>1,440,557</u>	<u>1,249,173</u>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Series A Preferred stock, \$0.0001 par value, 1,000,000 shares authorized, 10 shares issued and outstanding.	1	1
Series B Preferred stock, \$0.0001 par value, 10,000,000 shares authorized, 2,135,000 issued and outstanding respectively.	214	214
Series C Preferred stock, \$0.0001 par value, 10,000,000 shares authorized, no shares issued and outstanding.	-	-
Series D Preferred stock, \$0.0001 par value, 30,000,000 shares authorized, no shares issued and outstanding.	-	-
Series E Preferred stock, \$0.0001 par value, 30,000,000 shares authorized, 1,945,614 and 1,822,914 shares issued and outstanding, respectively.	195	195
Series F Preferred stock, \$0.0001 par value, 10,000,000 shares authorized, 500,000 shares issued and outstanding.	50	50
Common stock, \$0.0001 par value, 500,000,000 shares authorized, 222,528,120 and 30,057,976 shares issued and outstanding, respectively.	22,253	22,253
Additional paid-in capital	6,388,191	6,388,191
Stock subscriptions receivable	(7,633)	(7,633)
Accumulated deficit during the development stage	(7,843,635)	(7,652,443)
Total Stockholders' Equity (Deficit)	<u>(1,440,364)</u>	<u>(1,249,172)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<u>\$ 193</u>	<u>\$ 1</u>

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

**FLAMERET, INC.**  
**(A Development Stage Company)**  
**Condensed Statement of Operations**  
**(Unaudited)**

	<b>For the Three Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>February 28,</b>		<b>February 28,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>REVENUE</b>	-	-	-	-
<b>OPERATING EXPENSES</b>				
General and administrative expenses	56,252	47,655	112,723	114,455
Professional fees	35,800	14,043	71,600	27,856
Total Operating Expenses	92,052	61,698	184,323	142,311
<b>LOSS FROM OPERATIONS</b>	<u>(92,052)</u>	<u>(61,698)</u>	<u>(184,323)</u>	<u>(142,311)</u>
<b>OTHER INCOME (EXPENSES)</b>				
Interest expense	(3,435)	(3,785)	(6,869)	(7,570)
Total Other Income (Expenses)	<u>(3,435)</u>	<u>(3,785)</u>	<u>(6,869)</u>	<u>(7,570)</u>
<b>LOSS BEFORE INCOME TAXES</b>	<u>(95,487)</u>	<u>(65,483)</u>	<u>(191,192)</u>	<u>(149,881)</u>
Provision for income taxes	-	-	-	-
<b>NET LOSS</b>	<u>(95,487)</u>	<u>(65,483)</u>	<u>(191,192)</u>	<u>(149,881)</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Foreign currency translation adjustments	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<u>\$ (95,487)</u>	<u>\$ (65,483)</u>	<u>\$ (191,192)</u>	<u>\$ (149,881)</u>
<b>NET LOSS PER COMMON SHARE</b>				
<b>- BASIC AND DILUTED</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>WEIGHTED AVERAGE NUMBER</b>				
<b>OF COMMON SHARES</b>				
<b>OUTSTANDING</b>	222,528,120	222,528,120	222,528,120	222,528,120

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

**FLAMERET, INC.**  
**(A Development Stage Company)**  
**Condensed Statement of Cash Flows**  
**(Unaudited)**

**For the Six Months Ended**  
**February 28,**

**2014**                      **2013**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net loss	\$ (191,192)	\$ (149,881)
Adjustments to reconcile net loss to net used by operating activities:		
Expenses paid on behalf of the Company by a related party	-	-
Amortization of expenses prepaid with common stock	-	-
Preferred stock issued for services	-	-
Changes in operating assets and liabilities		
Accounts receivable and prepaid expenses	-	2,943
Accounts payable and accrued expenses	191,384	146,805
Net Cash Provided by Operating Activities	<u>192</u>	<u>(133)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Changes in related party payables	-	-
Changes in preferred stock	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	192	(133)
<b>CASH AT BEGINNING OF PERIOD</b>	1	183
<b>CASH AT END OF PERIOD</b>	<u>\$ 193</u>	<u>\$ 50</u>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

**CASH PAID FOR:**

Interest	\$ -	\$ -
Income Taxes	-	-
Common stock issued upon conversion of preferred stock		-
Common stock issued for prepaid services		-

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

**FLAMERET, INC.**  
**(A Development Stage Company)**  
**Notes to Condensed Financial Statements**  
**(Unaudited)**

**NOTE 1 - NATURE OF BUSINESS**

The Company was formed to market a range of fire retardants and treatments that could be used for a wide range of materials and be in liquid, powder or spray formats. Our products aim to significantly change the application of retardants by creating non-toxic products which do not noticeably alter the feel or texture of the end product. Our products will also meet the legislation standards that have been passed or are planned, thus making end products easier to handle and cost effective, as well as being non-toxic, environmentally friendly and safe for the end user.

**NOTE 2 - CONDENSED FINANCIAL STATEMENTS**

The accompanying financial statements and related notes include the activity of the Company and have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The financial statements have been prepared by the Company without an audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at February 28, 2014 and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's August 31, 2013 unaudited financial statements. The results of operations for the period ended February 28, 2014 is not necessarily indicative of the operating results for the full year.

**NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES**

**Accounting Method**

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected an August 31 year-end.

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Recent Accounting Pronouncements**

The Company has evaluated recent accounting pronouncements and their adoption has not had, or is not expected to have, a material impact on the Company's financial position, or statements.

**NOTE 4 - CONTINGENCIES AND LITIGATION**

At the report date, the company had no material unrecorded contingencies.

**NOTE 5– EQUITY ACTIVITY**

There was no movement during the quarter ending February 28, 2014 in either Common Stock or Preference Shares.

**NOTE 6 – SUBSEQUENT EVENTS**

In accordance with ASC 855 the Company's management reviewed all material events through the date of this report. The Company has continued the finance prospecting process and from September 2012 to July 2014 has been actively involved in seeking substantial funding resources to promote the company and enable testing and production to start on a commercial scale. Details cannot be released at this stage as we would not wish to jeopardize the negotiations.