

CARIBBEAN CASINO AND GAMING CORPORATION

BALANCE SHEET

DECEMBER 31, 2010

ASSETS:

CURRENT ASSETS:

CASH ON HAND AND IN BANK	\$26,681
ACCOUNTS RECEIVABLE	41,471
LOANS TO OFFICERS	12,000
TOTAL CURRENT ASSETS	<u>80,152</u>

FIXED ASSETS:

BUILDING EQUIPMENT:

BUILDING SIGNS	\$14,154
DIESEL FUEL GENERATOR	1,677
ELECTRICAL BACK-UP SYSTEM	108,246
SAFETY EQUIPMENT	1,330
TELEVISIONS	5,100
TOTAL BUILDING EQUIPMENT	<u>130,507</u>

CASINO EQUIPMENT:

BAR AND KITCHEN EQUIPMENT	13,800
BLACK JACK TABLES	17,269
CASINO CHAIRS	9,824
LIGHTING	69,849
SLOT MACHINES	131,136
CABLE EQUIPMENT	302,256
TOTAL CASINO EQUIPMENT	<u>544,134</u>

CONSTRUCTION COST:

CASINO	1,718,389
DISCO	5,114
TOTAL CONSTRUCTION COSTS	<u>1,723,503</u>

OFFICE EQUIPMENT:

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

VEHICLES	<u>35,684</u>
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TOTAL FIXED ASSETS 2,471,777

LESS: ACCUMULATED DEPRECIATION (260,539)

TOTAL FIXED ASSETS 2,211,238

CARIBBEAN CASINO AND GAMING CORPORATION
BALANCE SHEET
DECEMBER 31, 2010

OTHER ASSETS:		
ADMINISTRATIVE LICENSES	28,571	
OPERATION LICENSES	19,429	
SLOT MACHINE IMPORT LICENSE	47,841	
	<u>95,841</u>	
LESS: ACCUMULATED AMORTIZATION	<u>(8,624)</u>	87,217
INVESTMENT IN NEW CASINOS		<u>317,395</u>
TOTAL OTHER ASSETS		404,612
TOTAL ASSETS		<u><u>\$2,696,002</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 SHARES 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; 228,139,723 SHARES ISSUED AND OUTSTANDING	228,140	
ADDITIONAL PAID IN CAPITAL	2,770,230	
RETAINED DEFECIT	<u>(302,863)</u>	
TOTAL STOCKHODER'S EQUITY		<u><u>\$2,696,002</u></u>

CARIBBEAN CASINO AND GAMING CORPORATION
 PROFIT AND LOSS STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2010

INCOME:

CASINO GAMES:

BLACK JACK	\$187,041
LET IT RIDE/ 3 CARD POKER	68,588
TEXAS HOLDEM POKER	132,960
ROULETTE	333,139
SLOT MACHINES	199,802

TOTAL CASINO GAMES INCOME	\$921,530
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OTHER INCOME SOURCES:

CASINO LEW PERONE	255
BAR	13,931
DISCO	204,630
SPECIAL EVENTS - BOXING	122,034

TOTAL OTHER INCOME	340,850
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TOTAL INCOME	1,262,380
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COST OF GOOD:

BAR AND DISCO	176,043
SPECIAL EVENTS - BOXING	55,100

TOTAL GROSS PROFIT	1,031,237
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OPERATING EXPENSES:

ADVERTISING AND PUBLIC RELATIONS	47,534
GENERAL AND ADMINISTRATIVE EXPENSES	754,464
PAYROLL	203,101
RENT	155,407
MANAGEMENT FEES	36,491
DEPRECIATION EXPENSES	212,880
AMORTIZATION EXPENSES	7,037

TOTAL EXPENSES	1,416,914
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NET PROFIT OR (LOSS) FROM OPERATIONS	(385,677)
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OTHER INCOME AND EXPENSES:

OTHER INCOME:

JOINT VENTURE PARTICIPATION	147,400
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NET PROFIT OR LOSS FOR THE PERIOD	(\$238,277)
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CARIBBEAN CASINO AND GAMING CORPORATION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2010

OPERATING ACTIVITIES:

NET INCOME (LOSS) FOR THE PERIOD \$ (238,277)

NON CASH ITEMS

DEPRECIATION	212,880
AMORTIZATION	7,037
LOANS TO OFFICERS	(12,000)
ACCOUNTS RECEIVABLE	(41,471)

NET CASH PROVIDED BY OPERATING ACTIVITIES (71,831)

INVESTING ACTIVITIES:

FIXED ASSETS - SLOT MACHINES	(103,884)
FIXED ASSETS - CABLE EQUIPMENT	(302,256)
FIXED ASSETS -ELECTRICAL SYSTEM	(83,771)
FIXED ASSETS - CONSTRUCTION COSTS	(59,955)
FIXED ASSETS - DISCO	(3,520)
FIXED ASSETS - COMPUTERS	(2,526)
FIXED ASSETS - OFFICE EQUIPMENT	(497)
FIXED ASSETS - TELEPHONE EQUIPMENT	(11,083)
FIXED ASSETS - TELEVISIONS	(5,100)
FIXED ASSETS - VEHICLE	(35,685)
SLOT IMPORT/EXPORT LICENSES	(33,555)
NEW CASINO LOCATIONS	(317,395)

FINANCING ACTIVITIES:

SALES OF COMMON STOCK	122,139
ADDITIONAL PAID IN CAPITAL	766,564

NET CASH DECREASE FOR PERIOD (142,355)

CASH AT BEGINNING OF PERIOD 169,036

CASH AT END OF PERIOD \$26,681

CARIBBEAN CASINO AND GAMING CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

CONVERTIBLE PREFERRED STOCK - SERIES A	
BALANCE AT JANUARY 1, 2010	\$ 5
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	
SHARES ISSUED FOR SERVICES	
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BALANCE AT DECEMBER 31,, 2010	<u>\$ 5</u>
CONVERTIBLE PREFERRED STOCK - SERIES A-A	
BALANCE AT JANUARY 1, 2010	\$ 450
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	
SHARES ISSUED FOR SERVICE	
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BALANCE AT DECEMBER 31 2010	<u>\$ 450</u>
CONVERTIBLE PREFERRED STOCK - SERIES B	
BALANCE AT JANUARY 1, 2010	\$ -
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	
SHARES ISSUED FOR SERVICES	
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BALANCE AT DECEMBER 31, 2010	<u>\$ -</u>
CONVERTIBLE PREFERRED STOCK - SERIES B-1	
BALANCE AT JANUARY 1, 2010	\$ 40
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	
SHARES ISSUED FOR SERVICES	
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BALANCE AT DECEMBER 31, 2010	<u>\$ 40</u>
COMMON STOCK	
BALANCE AT JANUARY 1, 2010	\$ 106,001
PAR VALUE OF SHARES ISSUED:	
SHARES ISSUED TO INVESTORS	122,139
SHARES ISSUED FOR SERVICES	
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BALANCE AT DECEMBER 31, 2010	<u>\$ 228,140</u>

CARIBBEAN CASINO AND GAMING CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

ADDITIONAL PAID IN CAPITAL	
BALANCE AT JANUARY 1, 2010	\$ 2,003,666
SHARES ISSUED TO INVESTORS	766,564
SHARES ISSUED FOR SERVICES	<u> </u>
BALANCE AT DECEMBER 31, 2010	<u><u>\$ 2,770,230</u></u>
RETAINED EARNINGS	
BALANCE AT JANUARY 1, 2010	\$ (64,586)
NET INCOME FOR THE YEAR ENDED	<u>(\$238,277)</u>
BALANCE AT DECEMBER 31, 2010	<u><u>(\$302,863)</u></u>

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 five (35) 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 year ended ended December 31, 2010 totaled \$54,954 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 year ended December 31, 2010 totaled \$1,557 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 December 31, 2010 the Company did not have any funds in excess of \$250,000 federally insured limit.

NOTE C - INVESTMENT IN NEW CASINO

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

NOTE D - SLOT MACHINE IMPORT/EXPORT LICENSES

In the 4th Quarter of 2010 the Corporation secured from the Government of the Dominican Republic to import and export slot machines.

NOTE E - CONVERTIBLE PREFERRED STOCK

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