

TNI BioTech, Inc.
Quarterly Disclosure Statement
For the Quarter ending September 30, 2012

General Company Information

Item I **The exact name of the issuer and its predecessors:**

TNI BioTech, Inc. (OTC Pink Markets: "TNIB")

Formerly:

Galliano International, Ltd. From May 27, 1998 until November 10, 2004

Resorts Clubs International Inc., until March 1, 2012

pH Environmental Inc until May 14, 2012

The address of its principle executive offices:

477 South Rosemary Avenue, Suite 315

West Palm Beach, Florida 33401

Phone 407-680-3097

Fax 305-503-6834

Item II **Shares Outstanding:**

- i. For the Period ending September 30, 2012:
- ii. 500,000,000 shares authorized, Par Value of Common Stock is \$.001 per share
- iii. Common Stock Outstanding: 28,808,058.00 as of September 30, 2012
- iv. Public Float: 1,245,486 as of September 30, 2012
- v. Beneficial Owners: 4
- vi. Total Shareholders: 229

Item III The Issuer's Financial Information including all required financial statements are attached herein.

Item IV **Management's Discussion and Analysis of Plan of Operations**

A. Plan of Operation The Company acquired patents from Nicholas P. Plotnikoff relating to Cytokines, which are hormones produced by the immune system. The primary cytokine among many under study by TNI is methionine enkephalin (referred to herein as MENK). The Company also acquired a license for the intellectual property developed by Dr. Bernard Bihari relating to treatments with opioid antagonists such as naltrexone and met-enkephalin for a variety of diseases and conditions including malignant lymphoma, chronic lymphocytic leukemia, Hodgkin's lymphoma, and non-Hodgkin's lymphoma, chronic herpes virus infections, chronic herpes viral infections such as chronic genital herpes caused by the herpes simplex virus Type 2 and chronic infections due to the Epstein-Barr virus and a treatment method for humans infected with HTLV-III (AIDS) virus including patients clinically diagnosed as suffering from AIDS and those suffering from AIDS-related complex (ARC). TNI has developed and patented MENK as a treatment for AIDS, cancer, and infectious diseases. The need urgently exists today for readily available safe and effective treatments to increase life span and improve the quality of life for millions of AIDS and cancer patients. The Company's primary objective in

the next twelve months is to develop commercialized product(s) using the patents it has acquired and licensed.

C. Off-Balance Sheet Arrangements

The issuer has no off-balance sheet arrangements.

Item V Legal Proceedings

N/A

Item VI Default upon senior securities

N/A

Item VII Other Information

Letter of Intent with the Republic of Malawi

On July 14, 2012, GB Oncology and Imaging Group LTD (“GBOIG”), in partnership with TNIB, signed a letter of intent agreement to collaborate with the Government of Malawi to assist in expanding the treatment of cancer, HIV/AIDS and other infectious diseases. The letter of intent with Malawi and an overview of the TNIB/GBOIG, HIV/AIDS, cancer clinics, and treatment programs was attached to the Supplemental Information Disclosure posted through the OTC Disclosure and News Service on August 7, 2012.

The Company and GB will work in connection with the government of Malawi to open and operate clinics that provide treatments for HIV/AIDS, cancer and other infectious diseases. GBOIG and TNIB expect to have the oncology and infectious disease clinic fully operational within Twelve (12) months of the signing of the Agreement, and hope to begin treatment for HIV patients within One Hundred Eighty (180) days. Under the letter of intent, TNIB and GBOIG will begin by providing HIV/AIDS treatment to Twenty-Five Thousand (25,000) patients and hopefully expanding to Five Hundred Thousand (500,000) patients within Twenty-Four (24) months.

Memorandum of Agreement with GB Oncology and Imaging Group LTD.

On July 23, 2012, the Company signed a Memorandum of Understanding with GB Oncology and Imaging Group LTD. (“GB”), to equip and operate oncology and infectious disease clinics in Equatorial Guinea and surrounding countries. The Memorandum of Understanding and the Agreement between GB and the Government of Equatorial Guinea was attached to the Supplemental Information Disclosure posted through the OTC Disclosure and News Service on July 25, 2012.

The Company and GB will work in connection with the governments of Equatorial Guinea and surrounding countries to assist in the provision of medical and biotechnical services to the government and people of these African countries for the treatment of cancer and infectious diseases. It is the intention of the Company and GB to form a joint venture to engage in the creation, development and operation of the treatment centers. It

is anticipated that all expenses and revenues will be split equally between the Company and GB.

GB Oncology and Imaging Group LTD., a subsidiary of GB Energie LLC, is a Washington D.C. based minority woman-owned business managed by Dr. Gloria B. Herndon. Dr. Herndon is committed to sourcing sustainable solutions in the field of health care in Africa and has been involved since the mid 1900's on health-care related issues in Africa. On occasion, she is a consulting resource for the National Institutes of Health (NIH) regarding the impact of the HIV/AIDS pandemic on the insurance industry and provides other AIDS-related information when requested by the United States Department of State. Dr. Herndon is also a director of TNI BioTech, Inc.

License Agreement

On August 13, 2012, the Company signed a License Agreement with Ms. Jacqueline Young for the intellectual property developed by Dr. Bernard Bihari relating to treatments with opioid antagonists such as naltrexone and met-enkephalin for a variety of diseases and conditions including malignant lymphoma, chronic lymphocytic leukemia, Hodgkin's lymphoma, and non-Hodgkin's lymphoma, chronic herpes virus infections, chronic herpes viral infections such as chronic genital herpes caused by the herpes simplex virus Type 2 and chronic infections due to the Epstein-Barr virus and a treatment method for humans infected with HTLV-III (AIDS) virus including patients clinically diagnosed as suffering from AIDS and those suffering from AIDS-related complex (ARC). The License Agreement was attached to the Supplemental Information Disclosure posted through the OTC Disclosure and News Service on August 14, 2012.

Memorandum of Understanding to Open Pharmaceutical Plant for the Production of IRT-103 (LDN)

On September 3, 2012, the Company signed a Memorandum of Understanding with MOV-FAS S.A. to open a pharmaceutical plant in Managua, Nicaragua. The Memorandum of Understanding was attached to the Supplemental Information Disclosure posted through the OTC Disclosure and News Service on September 13, 2012.

In anticipation of meeting the Company's obligations under existing contracts, as well as those under negotiation, TNI BioTech, Inc. reached an agreement with MOV-FAS S.A. to finance and construct a pharmaceutical plant for the production of IRT-103.

The TNI BioTech, Inc. plant will occupy approximately 20,000m² of area in Managua, Nicaragua; an economic free zone designed to promote industrial growth and development in the Managua area. The Company has a lease on the premises with ample room for future expansion. The plant is being built pursuant to international pharmaceutical GMP (Good Manufacturing Practice) standards.

The TNI Biotech, Inc. facility will manufacture LDN under the trade name IRT-103, which will be for sale in Africa and nearby export markets. The plant has the capacity to manufacture approximately One Billion Four Hundred Thousand (1,400,000,000) capsules per year.

TNIB has formed a partially owned subsidiary for this joint venture. The partners in the TNI BioTech joint venture are TNI BioTech, Inc. (which owns 55%); MOV-FAS S.A.,

the development company (which owns 35%); Pharmaceutical Care Consultant of South Florida, d/b/a Skips Pharmacy (which owns 5%); and GB Pharma Holdings LLC, a (which owns 5%). TNI BioTech, Inc., as the senior partner in the enterprise, is expected to provide most of the technology; Pharmaceutical Care Consulting will provide quality control and management; GB Oncology & Imaging Group, LLC has provided the initial contracts for the sale of IRT-103; and MOV-FAS will provide the initial capital, the land and building, but more importantly, local relations to handle all permitting and approval for the venture.

Agreement with Pharmaceutical Care Consultants of South Florida, d/b/a/ Skip's Pharmacy

In October 2012, TNI BioTech, Inc. signed an Agreement with Pharmaceutical Care Consultants of South Florida, d/b/a Skip's Pharmacy. Under the Agreement, Dr. Henry "Skip" Lenz and Phil Giordano will join the Company as heads of Quality Control and Quality Assurance for TNIB's pharmaceutical plant in Managua, Nicaragua. Dr. Lenz will be responsible for leading the Company's global manufacturing development. The Agreement was disclosed in a press release posted through the OTC Disclosure and News Service on October 11, 2012.

Dr. Lenz will join the Company's executive leadership team, and report to Noreen Griffin, CEO and Dr. Eugene Youkilis, President of TNI BioTech, Inc. As the Company's Quality Control Officer, Dr. Lenz will be responsible for assuring all manufacturing meets cGMP standards. Dr. Lenz has held senior management positions in quality control, quality assurance and production for several international manufacturers. In addition, Dr. Lenz held senior clinical research pharmacist positions with both domestic and international clinical research groups, including Senior Researcher at Key Pharmaceuticals in charge of the Research Division. Dr. Lenz founded and operated a contract research company producing over Ten (10) patents before being acquired by a mid-sized manufacturing company. Over the last Fifteen (15) years Dr. Lenz has set his sights on relieving HIV/AIDS by participating in clinical applications of several novel therapies.

Strategic Framework Agreement for Cooperation between Zhongzhu Group and TNI BioTech, Inc.

On October 9, 2012, the Company signed a Strategic Framework Agreement for Cooperation with the Zhongzhu Group. Under the Agreement, the parties will work together to further the development of new products and conduct research and development on TNI's licensed patented technology. Specifically, the parties aim to co-invest to develop and market products focusing on HIV, cancer and related autoimmune system therapies, develop co-ventured manufacturing facilities in China, and develop co-ventured distribution of the developed products in China and Africa. The Agreement was attached to the Supplemental Information Disclosure posted through the OTC Disclosure and News Service on October 25, 2012.

Exclusive Distributor Agreement Signed for the Federal Republic of Nigeria

On November 9, 2012, TNI BioTech, Inc. signed an exclusive Distribution Agreement with G-Ex Technologies/St. Maris Pharma and GB Pharma Holdings, LLC for the Federal Republic of Nigeria. The Agreement was attached to the Supplemental

Information Disclosure posted through the OTC Disclosure and News Service on November 15, 2012.

Under the terms of the agreement, G-Ex Technologies/St. Maris Pharma and GB Pharma Holdings LLC will have exclusive marketing and distribution rights to IRT-103 LDN and IRT-104 LDN cream in Nigeria. TNIB will be responsible for the manufacture and supply of IRT-103 LDN and IRT-104 LDN cream. The therapies, developed as a treatment for cancer, HIV/AIDS and other autoimmune diseases, will be manufactured in TNI BioTech, Inc.'s facility in Managua, Nicaragua under the supervision and quality control of Dr. Henry "Skip" Lenz. As part of the Agreement, G-Ex Technologies/St. Maris Pharma will provide TNIB with a revolving letter of credit for the minimum purchase of Seven Hundred Fifty Thousand (750,000) doses monthly of IRT-103 LDN or IRT-104 LDN cream beginning March 1, 2013 priced at One Dollar (\$1.00) dollar per dose.

The Agreement calls for G-Ex Technologies/St. Maris Pharma and GB Pharma Holdings, LLC to purchase a minimum of Fifteen Million (15,000,000) doses monthly within Twenty-Four (24) months to maintain the exclusivity of the Agreement. Once G-Ex Technologies/St. Maris Pharma and GB Pharma Holdings, LLC reach sales of One Million (1,000,000) doses per day, TNIB has agreed to joint venture a factory in the Federal Republic of Nigeria to meet local demands.

G-Ex Technologies/St. Maris Pharma is a consortium of companies organized under the laws of the Republic of Nigeria operated by management, consultant, general pharmaceutical, clinical pharmacy and marketing executives, each with over Twenty-Five (25) years of industry experience and well versed in the changing dynamics of the prescription and over-the-counter drug international marketplace. G-Ex Technologies/St. Maris Pharma has been actively supported by medical practice professionals in business and academia who have been involved in the management of related drug therapies for many years.

Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

Appointment of Chief Medical Officer of TNI BioTech, Inc.

On September 5, 2012, Dr. Ronald Herberman was appointed the Chief Medical Officer of TNI BioTech, Inc. The employment agreement was attached to the Supplemental Information Disclosure posted through the OTC Disclosure and News Service on September 5, 2012.

Dr. Herberman joins the Company from Intrexon Corporation, where he was Chief Medical Officer, responsible for scientists and clinicians in discovery, clinical research and development, regulatory affairs and medical affairs.

Dr. Ronald Herberman was the founding director of University of Pittsburgh Cancer Institute (UPCI) and the UPMC Cancer Center, and Associate Vice Chancellor for cancer research within the School of Medicine, Department of Health Sciences. Other appointments include chief of the Division of Hematology/Oncology and the Hillman Professor of Oncology. He is also a professor of Medicine and Pathology. In serving as Vice Chancellor for cancer research, he has the responsibility for enhancing and facilitating the basic and clinical research activities of the Six (6) schools of the health

sciences and of the University of Pittsburgh Medical Center (UPMC). Dr. Herberman remains personally involved in several cancer research programs.

In 1968, prior to joining the University of Pittsburgh, Dr. Herberman was a senior investigator in the immunology branch of the National Cancer Institute, where he organized a research program related to tumor and cellular immunology. In 1971, he became head of a newly established cellular and tumor immunology section in the Laboratory of Cell Biology of the National Cancer Institute. During this period, he had responsibility for a research program of several investigators related to studies in animal model systems and in patients with cancer, studying the cell-mediated immune responses to tumors. As a result of this research, a new category of lymphocytes was discovered in Dr. Herberman's laboratory and termed natural killer (NK) cells. Since then, much of Dr. Herberman's research has been focused on the characterization of these natural effector cells and on their role in resistance to cancer growth.

In 1975, the National Cancer Institute organized an intramural and extramural research program focused on immunodiagnostic of cancer. Dr. Herberman was selected as the chief of the new Laboratory of Immunodiagnostic and also assumed responsibility for the national contract program on immunodiagnostic of cancer.

In 1988, he was appointed chairman of the Biological Response Modifiers Committee of the NIAID AIDS Clinical Trials Group and also served as a member of the NIAID AIDS Clinical Drug Development Committee. Dr. Herberman left the National Cancer Institute in 1985 to establish the UPCI facility, now a National Cancer Institute-designated comprehensive cancer center specializing in innovative approaches to cancer treatment.

Dr. Herberman has served on the Board of Directors of the American Association for Cancer Research. He has been given the Award for Excellence in the Sciences by the governor of Pennsylvania and the Lifetime Science Award by the Institute for Advanced Studies in Immunology and Aging. He has also served as interim chairman of the National Surgical Adjuvant Breast and Bowel Project (NSABP) from 1994 to 1995. He currently serves as President of the American Association of Cancer Institutes and is the former president of the Society for Biological Therapy and the Society for Natural Immunity. He is also the first recipient of an endowed chair in oncology from the Hillman Foundation.

Dr. Herberman serves on the editorial boards of numerous scientific journals. He has been featured in several publications for his work in the field of immunology, particularly as it relates to cancer research and currently serves as editor-in-chief for the international journal, *Natural Immunity*, as he continues his efforts to gain a better understanding of cancer and improve modern methods of treatment. He is also the principal investigator of a cancer center support grant of over Two Hundred Fifty Thousand Dollars (\$250,000.00) from the National Institutes of Health.

Formation of Medical Advisory Board and Initial Board Member Appointments

On July 16, 2012, TNI BioTech, Inc. announced the formation of its new Medical Advisory Board. The first appointments to the Advisory Board consists of a number of multi-disciplinary and highly respected clinicians, practitioners and economists. The Agreement was disclosed in a press release posted through the OTC Disclosure and News Service on July 17, 2012.

Members of the TNI BioTech Advisory Board are:

Professor Angus Dalgleish MD, FRACP, FRCP, FRCPath, FMedSci

Professor Angus Dalgleish studied medicine at University College London where he obtained an MBBS and a BSc in Anatomy. He is a Fellow of The Royal College of Physicians of the UK and Australia, Royal College of Pathologists and The Academy of Medical Scientists. He also trained in Internal Medicine and Oncology in Brisbane and Sydney. Following an interest in how viruses caused cancer, he undertook a PhD with Professor Robin Weiss, a FRS at the Institute of Cancer Research and Royal Marsden Hospital before becoming a senior clinical scientist at the MRC Clinical Research Center in Northwick Park. He was appointed to Foundation Chair of Oncology at St. George's University of London in 1991. His main interest there has been the immunology of cancer and the development of immunotherapies to treat, in particular, melanoma. In 1997, he founded Onyvax Ltd., a privately funded biotechnology company developing cancer vaccines, and currently holds a position as Research Director.

Professor Angus Dalgleish currently sits on eight editorial boards, he has published over 300 peer-reviewed papers and authored or co-authored over 70 chapters in medical books. He is the co-editor of five medical books. He has been on numerous grant committees and is currently on the European Commission Cancer Board.

Professor Angus Dalgleish career to date includes several key oncological discoveries that stemmed from an original interest in the pathogenesis of cancer. Some of these discoveries include: confirmation of the link between Hepatitis B (HBV) and liver cancer in native Australians, showing through the use of newly available sensitive assays that most instances were not due to alcohol as claimed before; He is a co-discoverer of the CD4 receptor for HIV, Published the first paper linking Slim Disease in East Africa with HIV; Developed the theory of pathogenesis that HIV only causes AIDS by immune activation and not by cytopathic killing; Investigated anti-idiotypic and allogeneic based vaccines for HIV and then applied theory to cancer; Pioneered melanoma vaccines in the U.K. (Megavax and CancerVax); Adapted this approach to prostate cancer. In Phase II active agent is Forty-Two (42%) with near doubling of time to progression to disease, compared with matched cancers and the therapies (Journal Clinical Oncology 2005); Showed that even small volume colon cancer causes cell mediated immunosuppression, which is reverted following surgery and developed cancer arises due to chronic inflammation theory, which causes immunosuppression and angiogenesis and the ideal environment for stochastic changes to survival; Professor Angus Dalgleish currently has an active interest and group optimizing dendritic cell treatment for cancer, both basic research and clinical groups; Identification of novel anti-inflammatory agent in vaccinated goat serum the therapy is patent pending.

Dr. Gloria B. Herndon

Dr. Herndon earned Bachelors Degrees in Economics and Political Science, as well as a Masters and a PhD in International Law and Economics from Johns Hopkins University. Subsequently she worked for the US Department of Agriculture as an economist and joined the State Department to the U.S. Embassy Commerce positions in Africa and Europe.

Upon leaving the State Department, Dr. Herndon founded and continues to direct GB Herndon and Associates, which is domiciled in the District of Columbia. The company initially focused upon structuring medical and benefits insurance for its corporate clients, but evolved into a multi-line insurance broker and is now more than a decade old. Its diverse clientele include the National Medical Association, embassies of foreign governments, the National Association of Postal and Federal Employees (NAPFE), University of the District of Columbia (UDC), etc.

Dr. Herndon is active in the business and local communities through her involvement with various organizations such as the Board of Trade, the DC Chamber of Commerce, the National Conference of Negro Women (NCNW), Africare, and Women's Business Network, to name a few. Corporations including Office Depot, Six Continent Hotels, and American Express have appointed her to Advisory Board positions. Dr. Herndon co-chairs the Board of Directors of the Women's Business Center and chairs the Corporate Advisory Boards of the National Head Start Association (NHSA) and the National Association for Equal Opportunity in Higher Education (NAFEO). On occasion, she is a consulting resource for the National Institutes of Health (NIH) regarding the impact of the HIV/AIDS pandemic on the insurance industry and provides other AIDS-related information when requested by the United States Department of State.

Dr. Ndiouga Dieng PD

Dr. N Diouga Dieng PD is a clinical pharmacist at John Hopkins Hospital and supervises the preparation of admixtures including Investigational Medications, provides rapport to International Patients, directed an Overseas Pathologist Project between John Hopkins and Senegal, and directed an Overseas Vaccination Project between John Hopkins, Serum Institute of India and Senegal. While Director of Pharmacy for Medicare Pharmacy Services, Dr. Dieng created an International Sales Department to develop and sell pharmaceuticals to third world and developing nations and devised and implemented required policy and procedures. Dr. Dieng is ACLS Certified, BLS Certified and Anticoagulation certified. Dr. Dieng is a Co-Initiator of the PARTAIL SANTE, a comprehensive project with the health ministry of Senegal to implement better access to healthcare and improve the management of equipment and healthcare personnel. Dr. Dieng also created a system to provide compounded inhalation meds for third world countries and created a network to service U.S. residents overseas during pharmaceutical emergencies.

Item VIII Exhibits

N/A

Item IX Certifications:

I, Noreen Griffin, hereby certify that:

1. I have reviewed this Quarterly Disclosure Statement of TNI BioTech, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and balance sheets of the issuer as of, and for the periods presented in this disclosure statement.

Date: November 16, 2012

/s/ Noreen Griffin

Noreen Griffin, Chief Executive Officer

TNI BioTech Inc
Profit Loss
July through September 2012

Income Statement	Sept 2012	June 2012	Mar 2012	Dec 2011
Ordinary Income/Expense				
Income				
Sales	0.00	0.00	0.00	1,062.17
Total Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,062.17</u>
Cost of Goods Sold				
Fulfillment	0.00	0.00	0.00	0.00
Golf Membership Fees	0.00	0.00	0.00	0.00
Golf Value Club				
Commissions - Global Consumer S	0.00	0.00	0.00	0.00
Total Golf Value Club	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Other rental expense	0.00	0.00	0.00	0.00
Purchases for Resale	0.00	0.00	0.00	0.00
Total COGS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Gross Profit	0.00	0.00	0.00	1,062.17
Expense				
Advertising/Promotion	0.00	0.00	0.00	0.00
Auto Expense	154.61	540.00	0.00	0.00
Bank Charges	273.00	25.00	0.00	329.25
Commission Expense	35,000.00	0.00	0.00	0.00
Consulting Fees	45,000.00	10,160.00	0.00	0.00
Services for Stock Expense	637,500.00	0.00	149.00	595.00
Patent Fees	30,000.00	10,988.00	0.00	128.94
Transfer Agent	4,000.00	16,500.00	0.00	0.00
Insurance Expense	0.00	0.00	0.00	0.00
Legal and Professional	22,000.00	38,000.00	0.00	0.00
Meals and Entertainment	11.99	5,600.00	0.00	0.00
Office Expense	93.14	0.00	0.00	23.94
Postage Expense	80.90	0.00	0.00	0.00
Research & Development	21,513.73	0.00	0.00	0.00
Telephone Expense	2,419.53	870.00	0.00	0.00
Travel Expense	135.50	28,140.00	0.00	123.17
Stock Status Report Fees	981.87	0.00	0.00	0.00
Wages	0.00	30,500.00	0.00	0.00
Web Hosting and Development	0.00	5,000.00	0.00	0.00
Press Releases & Public Relations	50,613.76	0.00	0.00	0.00
Misc.	-51.00	0.00	0.00	0.00
Forfeited Escrow	0.00	288.00	0.00	137.89
Total Expense	<u>849,727.03</u>	<u>146,611.00</u>	<u>149.00</u>	<u>1,338.19</u>
Net Ordinary Income	<u>-849,727.03</u>	<u>-146,611.00</u>	<u>-149.00</u>	<u>-276.02</u>
Net Income	<u>-849,727.03</u>	<u>-146,611.00</u>	<u>-149.00</u>	<u>-276.02</u>
Accumulated Net Income	-996,487.03	-146,760.00		

TNI BioTech, Inc.
Balance Sheet
As of September 30, 2012

Balance Sheet	Sept 30, 2012	June 30, 2012	Mar 31 12	Dec 31 11
ASSETS				
Current Assets				
Checking/Savings				
Bank of America Checking	141,566.34			
Cash - Bank of America	368.99	368.99	368.99	368.99
Total Checking/Savings	141,935.33	368.99	368.99	368.99
Other Current Assets				
Current A/C - Global Mktg	-	-	18,963.00	18,963.00
Current A/C - Trophy Club LLC	-	-	60,720.08	60,720.08
Attorney Trust Fund	5,000.00	-	-	-
Note Receivable Trophy Club LL	-	-	254,920.00	254,920.00
Total Other Current Assets	5,000.00	-	334,603.08	334,603.08
Total Current Assets	146,935.33	368.99	334,972.07	334,972.07
Fixed Assets				
Bahari Patents	900,000.00	900,000.00	-	-
Computer Equipment 2012	1,061.75	-	-	-
Fixed Assets - Accumulated Deprn	-	-	(6,484.64)	(6,335.64)
Furniture and Fixtures	-	-	7,435.64	7,435.64
Total Fixed Assets	901,061.75	900,000.00	951.00	1,100.00
Other Assets				
Deposit - Canyon Ridge Home	-	-	-	-
Investment in GEMS	-	-	28,750.00	28,750.00
Investment in Trophy Club LLC	-	-	7,161.00	7,161.00
World Golf Village Escrow	-	-	-	-
Investment in Turnbull Golf Inc	-	-	540,000.00	540,000.00
License, Data, IDA, Trials	7,950.00	-	-	-
Deposit on Lease-Refundable	19,750.00	19,750.00	-	-
Acquisition of TNI Biotech IP Inc.	-	-	-	-
Total Other Assets	27,700.00	19,750.00	575,911.00	575,911.00
TOTAL ASSETS	1,075,697.08	920,118.99	911,834.07	911,983.07
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
Accounts Payable	21,656.12	-	-	-
Note Payable Pixelheads LLC	141,451.00	141,451.00	-	-
Total Other Current Liabilities	163,107.12	141,451.00	-	-
Total Current Liabilities	163,107.12	141,451.00	-	-
Long Term Liabilities				
Note Payable - Advisory Service	12,816.84	12,816.84	23,316.84	23,316.84
Note Payable - Mac-National	-	-	280,000.00	280,000.00
Note Payable - Miller	-	-	45,000.00	45,000.00
Note Payable - N Snider	-	-	100,000.00	100,000.00
Note Payable - R Quinby	-	-	25,000.00	25,000.00
Note Payable - RW Johnson	21,546.50	119,000.00	119,000.00	119,000.00
Note Payable I Gaines	-	-	171,000.00	171,000.00
Note Payable KC Operations	380,496.25	480,496.25	498,000.00	498,000.00
Total Long Term Liabilities	414,859.59	612,313.09	1,261,316.84	1,261,316.84
Total Liabilities	577,966.71	753,764.09	1,261,316.84	1,261,316.84
Equity				
Common Stock	2,240,564.83	1,030,564.83	105,655.00	105,655.00
Paid-in Capital	(1,080,847.43)	(717,599.00)	256,745.00	256,745.00
Retained Earnings	-	-	(711,733.77)	(711,457.75)
Stock Sales	334,500.00	-	-	(711,457.75)
Net Income	(996,487.03)	(146,611.00)	(149.00)	(276.02)
Total Equity	497,730.37	166,354.83	(349,482.77)	(1,060,791.52)
TOTAL LIABILITIES & EQUITY	1,075,697.08	920,118.92	911,834.07	200,525.32

TNI BioTech, Inc.
Statement of Changes in Shareholder Equity
September 30, 2012

TNI BioTech, Inc. F/K/A pH Environmental Inc / RESORT CLUBS INTERNATIONAL, INC
Statement of Changes in Shareholders Equity/(Deficit)
Period Ending September 30, 2012

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance December 31, 2009	<u>105,655,370</u>	<u>\$ 105,655</u>	<u>\$ 124,700</u>	<u>\$ 711,458</u>	<u>\$ 912,578</u>
Shares issued for services	0	0	0	-	0
Net loss				(12,055)	12,055
Balance December 31, 2010	<u>105,655,370</u>	<u>105,655</u>	<u>124,700</u>	<u>699,403</u>	<u>924,633</u>
Common stock sold	-	-	-	-	-
Shares issued for services	-	-	-	-	-
Shares issued for debt	-	-	-	-	-
Retirement of Common stock	-	-	-	-	-
Adjustment for Decrease in Par per Amendment	-	-	-	-	-
Prior period adjustment			348,739		
Net income	-	-	-	319	319
Balance December 31, 2011	<u>105,655,370</u>	<u>105,655</u>	<u>473,439</u>	<u>699,722</u>	<u>924,952</u>
Balance December 31, 2011	<u>-</u>	<u>105,655</u>	<u>256,745</u>	<u>(711,734)</u>	<u>(349,334)</u>
Net Income				-149	
Balance March 31, 2012	<u>105,655</u>	<u>105,655</u>	<u>256,745</u>	<u>(711,883)</u>	<u>(349,483)</u>
Reverse merger transaction					
Elimination of Accumulated Deficit			(711,883)	711,883	-
Settlement of Long Term Liabilities			649,004		649,004
Reduction of Current Assets			(334,603)		(334,603)
Reduction of Fixed Assets			(951)		(951)
Reduction of Other Assets			-		-
Common stock sold		\$ -	-	-	
Shares issued for services	1,719,845	\$ 5,160		-	5,160
Shares issued for debt	1,050,000	10,500	-	-	10,500
Shares issued for Acquisition TNI BioTech IP	19,750,000	19,750	-	-	19,750
Shares issued for dividend	1,192,558	1,193	-	-	1,193
Shares issued for Acquisition of Biahari Assets	500,000	900,000	900,000		
Adjustment		(11,693)	-	-	(11,693)
Adjustment for Decrease in Par per Amendment		-	-	-	-
Net income (Loss)	-	-	-	(146,611)	(146,611)
Balance June 30, 2012	<u>24,318,058</u>	<u>\$ 1,030,565</u>	<u>\$ 758,312</u>	<u>\$ (146,611)</u>	<u>\$ (157,735)</u>
Common stock sold	2,565,000	\$ 332,500			
Shares issued for services	750,000	\$ 637,500			
Shares issued for debt	1,200,000	\$ 240,000			
Retirement of Common stock					
Adjustment for Decrease in Par per Amendment					
Prior period adjustment					
Net income					
Balance Sept 30, 2012	<u>28,833,058</u>	<u>\$ 2,240,565</u>			

TNI BioTech, Inc.
Cash Flow from Activities
September 30, 2012

	Sept 30 2012	June 30 2012	March 31 2012	December 31 2011
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	(849,727.05)	(141,451.00)	(149.00)	(276.02)
Common stock issued for services	637,500.00	(5,160.00)	-	-
Common Stock issued for Acquisition		(900,000.00)		
Depreciation expense			149.00	595.00
Amortization expense				
Prior period adjustment				
Write off of escrow balance World Golf Village				
Adjustments to reconcile net income to net cash used in operating activities:				
Changes in operating assets and operating liabilities:				
Note receivable-related party				
Prepaid expenses				
Derivative liability				
Accounts payable and accrued expenses				
Net cash used in operating activities	<u>(212,227.03)</u>	<u>(1,046,611.00)</u>	<u>-</u>	<u>318.98</u>
Gain on discontinued operations				
Net cash used after discontinued operations				
CASH OUTFLOWS FROM INVESTING ACTIVITIES:				
Increase in Atty Trust Fund	(5,000.00)			-
				-
CASH FLOWS FROM FINANCING ACTIVITIES:				
Loans received from non financial institutions		141,451.00		-
Reduction of Notes Payable	(197,453.50)			
Payment of Shares for Acquisition		900,000.00		
Proceeds for convertible notes purchased				
Accounts payable converted to notes payable-related party				
Sale of common stock	334,500.00			
Additional paid in capital	363,248.43	5,160.00		-
Net cash provided by financing activities	<u>500,294.93</u>	<u>1,046,611.00</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>288,067.90</u>	<u>-</u>	<u>-</u>	<u>318.98</u>
CASH BEGINNING OF PERIOD	368.99	368.99	368.99	50.01
CASH END OF PERIOD	141,935.33	368.99	368.99	368.99

TNI BioTech, Inc., f/k/a pH Environmental Inc.

NOTES TO FINANCIAL STATEMENTS For the Three Months Ended September 30, 2012

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

The Company was originally incorporated as Galliano International Ltd in Delaware on June 27, 1998 and began trading in November 1999 through the filing of a 15C-211. On November 10, 2004 Galliano International merged with Resorts Clubs International, Inc., with Resort Clubs International, Inc., a Florida Corporation as the surviving corporation. Resort Clubs International, Inc., completed a name change to pH Environmental Inc effective February 27, 2012. pH Environmental Inc completed a name change on May 14, 2012 to TNI BioTech, Inc.

NOTE 2 – QUARTERLY FINANCIAL STATEMENTS

Basis of Presentation

The accompanying quarterly financial statements of TNI BioTech, Inc., (the “Company” or “TNIB”) have been prepared and reviewed pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Such rules require that these quarterly financial statements are prepared in accordance with Generally Accepted Accounting Principles (US GAAP); and our compilation and review report is in accordance with Generally Accepted Auditing Standards (US GAAS). These standards require that footnotes and disclosures be provided in order to assist the readers with supporting details that are documented in the condensed financial statements.

The Company recommends that the footnote disclosures made herein with its quarterly reviewed financial statements be read in conjunction with its quarterly review report. In the opinion of management, our financial statements and footnote disclosures fairly present our financial position and results of operations of the Company for the quarter then ended as of September 30, 2012.

Method of Accounting

The Company maintains its books and prepares its financial statements on the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The Company maintains cash and cash equivalents at financial institutions, which periodically may exceed federally insured amounts.

Loss Per Common Share

Loss per common share is computed in accordance with FASB ASC 260-10 (Prior authoritative literature Statement of Financial Accounting Standards No. 128, “Earnings Per Share”), by dividing income (loss) available to common stockholders by weighted average number of common shares outstanding for each period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results can differ from those estimates.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740-10 (Prior authoritative literature Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes"), using the asset and liability approach, which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of such assets and liabilities. This method utilizes enacted statutory tax rates in effect for the year in which the temporary differences are expected to reverse and gives immediate effect to changes in income tax rates upon enactment. Deferred tax assets are recognized, net of any valuation allowance, for temporary differences and net operating loss and tax credit carry forwards. Deferred income tax expense represents the change in net deferred assets and liability balances.

Recent Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

Equity Securities

Holders of shares of common stock shall be entitled to cast one vote for each common shares held at all stockholder's meetings for all purposes, including the election of directors. The common stock does not have cumulative voting rights.

No holder of shares of stock of any class shall be entitled as a matter of right to subscribe for or purchase or receive any part of any new or additional issue of shares of stock of any class, or of securities convertible into shares of stock or any class, whether now hereafter authorized or whether issued for money, for consideration other than money, or by way of dividend.

NOTE 3 – GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has experienced a net loss from operations of Two Hundred Twelve Thousand Two Hundred Twenty-Seven Dollars and Three Cents (\$212,227.03) and has used cash and cash equivalents for operations in the amount of Two Hundred Twelve Thousand Two Hundred Twenty-Seven Dollars and Three Cents (\$212,227.03) during the three months ending September 30, 2012, resulting in a stockholder's deficiency of Seven Hundred Thirty-Three Thousand Six Hundred Forty-Five Dollars (\$733,645.00).

The condition raises substantial doubt about the Company's ability to continue as a going concern. The Company always had recurring losses from its operations since it began and never had annual revenues sufficient enough to cover the Company's incurred expenses and its obligations as they became due.

NOTE 4- DISCONTINUED OPERATIONS

IFRS 5 defines a "discontinued operation" as a component of an entity that has been disposed of, or is classified as held for sale, and Represent a major line of business or geographical area of operations.

NOTE 5 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summarizes significant accounting policies to assist the reader in understanding and evaluating the condensed financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America and have been applied consistently in all material respects.

Basis of Accounting

The condensed financial statements are prepared using the accrual basis of accounting where revenues and expenses are recognized in the period in which they were incurred.

Revenue Recognition

The Company had no revenue for the three months ending September 30, 2012.

Fair Value of Financial Instruments

ASC topic 825, "Disclosures about Fair Value of Financial Instruments," requires disclosures of information regarding the fair value of certain financial instruments for which it is practicable to estimate the value. For purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying values of the Company's financial instruments which consist of accounts receivable, notes receivable, accounts payable, and notes payable approximate fair values due to the short-term maturities of such instruments.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax assets resulting from operating losses have not been recognized.

Loss Per Share

Basic and diluted loss per common share has been calculated based upon the weighted average number of common shares outstanding.

NOTE 6 – NOTES PAYABLE

The Company had notes of Four Hundred Fourteen Thousand Eight Hundred Fifty-Nine Dollars and Fifty Nine Cents (\$414,859.59) outstanding as of September 30, 2012.

NOTE 7 – EARNINGS PER SHARE

The Company computed basic and diluted earnings per share for September 30, 2012 pursuant to the ASC topic 260, "Earnings per Share." Basic EPS is calculated as net income or loss attributable to common stockholders divided by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated using the "if converted" method for common stock equivalents.

NOTE 8 – STOCKHOLDERS' EQUITY

Common Stock

In August 23, 2010, the Company confirmed its authorization to issue common stock in the amount of Five Hundred Million (500,000,000) shares; having a par value of \$.0001 per share.

Preferred Stock

On August 23, 2010 the Company canceled its Series A, Series B and Series C preferred stock.

Issuances of Common Stock

From July 1, 2012 to September 30, 2012, the Company issued One Million Sixty-Five Thousand (1,065,000) shares of common stock through private placements. The Company issued One Million Five Hundred Fifty Thousand (1,550,000) shares of common stock for services rendered. The Company issued Two Hundred Fifty Thousand (250,000) shares of common stock to its employees. The Company issued One Million Two Hundred Thousand (1,200,000) shares through promissory note conversions.

Five Hundred Thousand (500,000) shares were reissued this quarter to a shareholder to rectify an administrative mistake made in a previous quarter at which time Five Hundred Thousand (500,000) shares of common stock were issued to an incorrect shareholder.

NOTE 9 – DEFERRED TAX ASSETS

Deferred tax assets reflect the net income tax effect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income taxes. The Company deferred income tax assets and liabilities consist of the following:

The Company has recognized no tax benefit for the losses generated for the periods through September 30, 2012. SFAS No. 109 requires that a valuation allowance be provided if it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company's ability to realize the benefit of its deferred tax asset will depend on the generation of future taxable income. Because the Company has yet to recognize revenue, we believe that the full valuation allowance should be provided.

SUBSEQUENT EVENTS

See Item VII Other Information in the Company's Quarter 3 Disclosure Statement above.