

IMD COMPANIES, INC.
CONSOLIDATED BALANCE SHEET
UNAUDITED
AT DECEMBER 31,2016

12/31/16 Consolidated

ASSETS		
CURRENT ASSETS:	USD	
Cash	\$	53,868
Accounts Receivable		1,083,731
Inventory Assets		1,394,290
Short Term loans and advances		6,699,123
Prepaid and other Current Assets		1,028
Total Current Assets		9,232,040
 OTHER ASSETS:		
Equipment-net		15,385,668
Investments		1,022,764
Notes receivable		4,944
Total Assets		25,645,416
 LIABILITIES & STOCKHOLDERS EQUITY		
CURRENT:		
Accounts payable and accrued Expenses		6,035,996
Short Term loans and Advances		930,769
Other Current Liabilities		792,308
Short Term Provisions		1,419,827
LONG TERM:		0
Convertible Notes Payable		1,808,232
Accrued interest expense		132,371
Total Liabilities		11,119,503
Minority Interest		7,436,012
 STOCKHOLDER'S EQUITY		
Preferred stock		50
Common Stock		929,740
Additional Paid-in-capital		10,434,076
Accumulated (deficit)		(4,273,965)
Total Stockholder's Equity		7,089,901
Total liabilities, minority interest, and stockholder's equity		25,645,416

See accompanying notes to these unaudited financial statements.

iMD Companies, Inc.
Consolidated Income Statement
Unaudited

	For the year ended December 31	
	2016	2015
REVENUE		
Service and Sales Income	7,692,311	984
Other Income	461,552	
Cost of Sales		517
Gross Profit	8,153,863	467
OPERATING EXPENSES		
Marketing Expense	100	32,461
Mining Expenses	4,615,385	
Bank Service Charges	103	457
Insurance Expenses	0	0
Shares for Services	50,000	19,622
Management Fees	0	0
Professional Fees	4,500	12,500
Officer Wages	96,000	197,500
Salary and Wages	1,568,462	6,500
Interest Expense	427,068	45,855
Other Administrative Costs	5,814	5,679
Engineering Expenses	0	0
Rent Expense	12,000	1,160
Costs of Processing	0	0
Travel and Entertainment	2,473	18,736
Depreciation and Amortization	846,706	331
Other Expenses	232,692	
Total Operating Expenses	7,861,303	340,801
Net (loss) from operations	292,560	(340,334)
Impairment on investing		0
Abandoned projects		(493,376)
Net Gain/(loss)	292,560	(833,710)

See accompanying notes to these unaudited consolidated financial statements.

IMD COMPANIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
UNAUDITED

	Preferred Shares	Amount	Common Shares	Amount	Paid-in Capital	Accumulated (Deficit)	Total
Balance at December 31,2013	50,011	50	213,405,162	213,405	3,832,367	(2,797,708)	1,248,114
Adjustment to Acquisition of R-Quest							
Acquisition of Lumz n Blooms LTD.			10,000,000	10,000	(1,400,000)		(1,390,000)
Shares issued for services			84,750,000	84,750	0		84,750
Shares issued for debt			142,306,872	142,307	327,577		469,884
Net (loss) for year ended Dec. 31,2014						(935,107)	(935,107)
Balance as of Dec 31,2014	<u>50,011</u>	<u>50</u>	<u>450,462,034</u>	<u>450,462</u>	<u>2,759,944</u>	<u>(3,732,815)</u>	<u>(522,359)</u>
Shares issued for services			19,622,098	19,622			19,622
Acquisition of Lumz n Blooms LTD.			9,800,000	9,800			9,800
Shares issued for debt			98,192,440	98,192	73,005		171,197
Net (loss) for year ended December 31,2015						(833,710)	(833,710)
Balance as of December 31,2015	<u>50,011</u>	<u>50</u>	<u>578,076,572</u>	<u>578,076</u>	<u>2,832,949</u>	<u>(4,566,525)</u>	<u>(1,155,450)</u>
Shares issued for Debt			296,664,000	296,664			296,664
Acquisition of 51% of KRSNA Minerals					7,601,127		7,601,127
Shares issued for services			50,000,000	50,000			50,000
Shares issued for cash			5,000,000	5,000			5,000
Net gain/(loss) for year ended Dec. 31,2016						292,560	292,560
Balance as of December 31,2016	<u>50,011</u>	<u>50</u>	<u>929,740,572</u>	<u>929,740</u>	<u>10,434,076</u>	<u>(4,273,965)</u>	<u>7,089,901</u>

IMD COMPANIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

	For the Year Ended December 31	
	2016	2015
OPERATING ACTIVITIES		
Net gain (loss) for the period	292,560	(833,710)
Adjustments to reconcile net gain/loss to cash (used in) provided by operations:		
Shares issued for services	50,000	19,622
Shares issued for debt	296,664	171,197
Shares issued for cash	5,000	
Depreciation and Amortization	552	331
Impairment on investment		9,801
Changes in assets and liabilities		
(incr)/decr - accounts receivable	(1,083,731)	121,003
(Incr)/decr - inventory	(1,374,106)	(14,157)
(Incr)/decr - notes receivable	(6,699,123)	0
(Incr)/decr - other assets	562	6,201
Incr/(decr) - accounts payable	5,220,641	325,238
Incr/(decr) - accrued interest	42,453	(9,895)
Incr/(decr) - notes payable	1,050,999	45,772
Incr/(decr) - short term loans	2,112,135	
Net cash (used in) provided by operating activities	<u>(85,394)</u>	<u>(158,597)</u>
INVESTING ACTIVITIES		
Ultrasound Equipment		15,631
Intellectual Assets		120,000
Property, Plant and Equipment	(15,384,673)	
Investments in companies	(740,236)	
Net Cash (used in) provided by Investing Activities	<u>(16,124,909)</u>	<u>135,631</u>
FINANCING ACTIVITIES		
Long Term Notes Payable	1,263,802	
Minority Interest	7,399,122	
Contributed Capital	7,601,127	
Net Cash (used in) provided by Financing Activities	<u>16,264,051</u>	<u>0</u>
INCREASE (DECREASE) IN CASH	53,748	(22,966)
CASH, BEGINNING OF PERIOD	120	23,086
CASH, END OF PERIOD	<u>53,868</u>	<u>120</u>

NON CASH TRANSACTIONS: NONE

See accompanying notes to these unaudited consolidated financial statements

**IMD COMPANIES,
INC.**

**Notes to Unaudited Consolidated Financial
Statements For the 12 months ending
December 31, 2016 and 2015 (Unaudited)**

NOTE 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

The Company

The Company was originally incorporated in Delaware on March 31, 1993 as ADV Acquisition Corp. The Company had numerous name changes and on February 15, 2008 re-domiciled in Florida as International Biofuels, Inc. On September 23, 2010 the Company changed its name to iMD Companies, Inc.

On September 24, 2013 the Company purchased 51% of R-Quest Hydroponics, Inc. that is a software and hardware manufacturer for the Hydroponics industry. The Company issued 100,000,000 common shares of the Company valued at \$2,000,000 based upon its stock value at the time. The acquisition has been written down to the value of its acquired assets and intellectual property and is fully consolidated into the financial statements with a corresponding minority interest.

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments that are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position for the periods presented. Significant adjustments may be required upon the financial statements being audited to be in conformity with Generally Accepted Accounting Principles.

Use of Estimates

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments that are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position.

Cash & Cash Equivalents

The company's policy is to consider cash and cash equivalents to consist of checking accounts, money market accounts or certificates of deposit having maturity dates of 180 days or less.

Financial Instruments

Financial instruments consist primarily of cash, security deposits and obligations under accounts payable and accrued expenses. The carrying amounts of cash, accounts receivable, security deposits, accounts payable and accrued expenses approximate fair value because of the short-term maturity of those instruments.

Income Taxes

The Company records its federal and statement income tax liability as it is incurred.

NOTE 2. INVESTMENTS

The Company consolidates its 51% ownership R-Quest Hydroponics on its books at its estimated fair value and the remaining 49% as Minority Interest.

NOTE 3: CONTINGENT LIABILITIES

On September 28, 2016, the Company was sued by certain debt holders that are demanding conversions into common shares in quantities that the Company believes would currently be detrimental to its current shareholders.

NOTE 4: CONVERTIBLE NOTES

Retired Convertible Notes

On January 12, 2013 the Company issued a convertible note for \$120,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. During the quarter ended June 30, 2014 the Holder converted \$50,000 of principal for 9,018,279 common shares. The outstanding balance of the note was \$70,000 at June 30, 2014. During the quarter ended September 30, 2014 the Holder sold principal amounts of the note for \$25,000 and \$23,500 to two different third parties. The third party that purchased \$25,000 of principal converted \$14,000 of it into 14,000,000 common shares during the quarter. The party that purchased \$23,500 of principal converted the entire amount into 3,804,407 common shares. At September 30, 2014 the outstanding principal balance of the original Holder on the original note \$21,500 in principal and \$3,010 of accrued interest and the outstanding principal balance with a third party from the original note was \$11,000 and \$1,540 of accrued interest. During the quarter ended December 31, 2014 the Holder converted all of the remaining principal and accrued interest for 15,500,000 common shares.

On February 1, 2012 the Company issued a convertible note for \$10,000 accruing an annual interest at 8% of the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. On April 9, 2014 the note was sold to a third party. During the quarter ended September 30, 2014 the third party converted the entire outstanding principal and accrued interest totaling \$12,877 for 2,341,220 common shares resulting in the payoff of the note.

On August 26, 2013 the Company issued a convertible note for \$53,699 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. During the quarter ended September 30, 2014 the Holder converted the remaining \$26,198 of principal into 5,424,895 common shares resulting in the payoff of the original note.

On February 1, 2012 the Company issued a convertible note for \$27,000 and it had an outstanding balance of \$27,000 at June 30, 2014. The note accrues annual interest at 8% of the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions during the quarter ended September 30, 2014. During the quarter ended March 31, 2015 the outstanding principal balance and accrued interest was paid off with the issuance of 15,000,000 common shares.

Outstanding Convertible Notes

On November 19, 2010 the Company issued a convertible note for \$85,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The principal outstanding balance of the note was \$85,000 and accrued interest was \$39,100 at September 30, 2016.

On December 31, 2011 the Company issued a convertible note for \$144,700 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. On August 30, 2013 the original Holder sold the entire \$144,700 note to third party. During the quarter ended June 30, 2014 the Holder converted \$40,292 of principal and accrued interest for 7,267,290 common shares. The outstanding balance of the note was \$104,208 of principal and \$2,084 of accrued interest at September 30, 2014. During the quarter ended December 31, 2014 the Holder converted into 25,000,000 common shares for \$22,916 of principal and \$2,084 and during the quarter ended March 31, 2015 an additional 15,000,000 common shares were issued for principal and interest. During the quarter ended September 30, 2016 the Company issued 45,000,000 common shares for \$8,100 of accrued interest expense. The principal outstanding balance of the note was \$93,418 and accrued interest was \$3,589 at September 30, 2016.

On October 1, 2012 the Company issued a convertible note for \$8,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions prior to June 30, 2014. The outstanding principal balance of the note was \$8,000 and accrued interest was \$2,560 at September 30, 2016.

On October 1, 2012 the Company issued a convertible note for \$23,228 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. Prior to June 30, 2014 the Holder converted \$21,500 of principal. The outstanding balance of the note was \$1,728 of principal and \$2,643 at September 30, 2016.

On October 1, 2012 the Company issued a convertible note for \$42,431 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The Holder subsequently sold the note to a third party that converted \$12,631 of principal prior to June 30, 2014. During the quarter ended September 30, 2014 the third party converted \$14,000 of principal for \$14,000. During the quarter ended March 31, 2015 11,000,000 common shares were issued in payment of \$5,616 of principal and \$5,384 of accrued resulting in the outstanding balance of the note at June 30, 2015 being \$10,184 of principal and \$300 of accrued interest. During the quarter ended June 30, 2015, the Company issued 14,010,000 common shares to reduce the principal by \$14,010. The outstanding balance of the note was \$1,790 of accrued interest at September 30, 2016.

On December 2, 2012 the Company issued a convertible note for \$9,615 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$9,615 of principal and \$2,884 at September 30, 2016.

On August 26, 2013 the Company issued a convertible note for \$16,734 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$16,734 of principal and \$4,016 at September 30, 2016.

On September 26, 2013 the Company issued a convertible note for \$14,441 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$14,441 of principal and \$3,465 at September 30, 2016.

On October 21, 2013 the Company issued a convertible note for \$200,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. Prior to June 30, 2014 there were a number of conversions resulting in the outstanding balance of the note being \$30,573 of principal and \$5,650 at September 30, 2016.

On December 31, 2013 the Company issued a convertible note for \$49,419 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$49,419 of principal and \$10,872 in accrued interest at September 30, 2016.

On April 15, 2014 the Company issued a convertible note for \$32,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions during prior to June 30, 2014. The outstanding balance of the note was \$32,000 and \$5,760 at September 30, 2016.

On April 30, 2014 the Company issued a convertible note for \$37,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions during the quarter ended June 30, 2014. During the quarter ended June 30, 2015, the Company issued 14,000,000 common shares to reduce the principal by \$16,565. At September 30, 2016 the outstanding principal balance was \$20,435 and \$5,855 of accrued interest.

On May 9, 2014 the Company issued a convertible note for \$8,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions prior to June 30, 2014. The outstanding principal balance of the note was \$8,000 and accrued interest was \$1,440 at September 30, 2016.

On July 31, 2014 the Company issued a convertible note for \$17,000 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. There were no conversions during prior to June 30, 2014. The outstanding balance of the note was \$17,000 and accrued interest was \$2,965 at September 30, 2016.

On August 26, 2014 the Company issued a convertible note for \$23,500 that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. Prior to October 1, 2014 there were \$2,000 of principal conversions. The outstanding balance of the note was \$21,500 and accrued interest was \$6,450 at September 30, 2016.

On December 31, 2014 the Company issued a convertible note for \$20,000 for cash that accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par

value of the stock. The outstanding balance of the note was \$20,000 and accrued interest was \$2,400 at September 30, 2016.

During the Company ended March 31, 2015 the Company recorded a convertible debt of \$118,800 pursuant to an approving settlement agreement and stipulation for dismissal filed on October 15, 2014, by the Circuit Court in the Eleventh Judicial Circuit in Miami, Florida for outstanding debt the Holder acquired by purchasing debt from creditors of the Company. The debt is exempt from registration requirements of the Act pursuant to Section 3(a) (10) of the Securities Act. During the quarter ended March 31, 2015 the company issued 20,000,000 common shares to retire \$90,480. During the quarter ended June 30, 2015 the company issued 5,000,000 common shares to retire \$5,000. The principal balance at September 30, 2016 was \$23,320 with \$1,392 of accrued interest.

On February 15, 2015, the Company issued a convertible note for \$68,017 for expenses paid on behalf of the Company. The note accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$68,017 and accrued interest was \$8,908 at September 30, 2016.

On March 27, 2015, the Company issued a convertible note for \$13,250 for expenses paid on behalf of the Company. The note accrues interest at 8% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 50% discount from the lowest trade price during the prior 15 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$15,105 and accrued interest was \$1,855 at December 31, 2016.

On July 1, 2016, the Company issued a convertible note for accounting services rendered From January 1, 2016 through June 30, 2016 for \$5,000 accruing interest at 8% per annum. The principal and accrued interest on the note are convertible at a 55% discount from the lowest closing price during the prior 180 days but interest can not be converted below the par value of the stock. The outstanding balance of the note was \$5,000 and accrued interest was \$160 at September 30, 2016.

On October 28, 2016 and November 1, 2016 the Company issued a convertible note for \$8,000 (each payment amount was \$4,000) accruing interest at 8% per annum. The principal and accrued interest on the note are convertible at a 50% discount from the lowest closing price during the prior 30 days but interest can not be converted below the par value of the stock.

On November 8, 2016, the Company issued a convertible note for the amount of \$20,000 accruing interest at 8% per annum. The principal and accrued interest on the note are convertible at a 50% discount from the lowest closing price during the prior 14 days but interest can not be converted below the par value of the stock.

On December 30, 2016, the Company issued a convertible note for \$36,263 for expenses paid on behalf of the Company. The note accrues interest at 12% per annum on the outstanding balance. The principal and accrued interest on the note are convertible at a 55% discount from the lowest trade price during the prior 180 days but interest can not be converted below the par value of the stock.

NOTE 5. STOCKHOLDERS EQUITY

Preferred Stock

The Company has authorized 100,000 Class B Preferred Shares. At September 30, 2016 there were 50,011 preferred shares outstanding. Each Preferred B share is convertible into 250 common shares at the option of the Holder.

Common Stock

On July 21, 2016, the Company increased their authorized common shares from 700,000,000 to 2,000,000,000.

On September 24, 2013 the Company purchased 51% of R-Quest Hydroponics, Inc. for 100,000,000 common shares of the Company valued at \$2,000,000 and subsequently wrote down the value to \$300,000.

During the last quarter of 2013 the Company issued 52,000,000 common shares valued at \$1,040,000 to 4 individuals and 4 companies that were not related or affiliated with each other or the Company.

During the second quarter of 2014 Company issued 10,000,000 common shares for the acquisition of Lumz n Blooms LTD.

The Company issued 60,716,350 shares of common stock, reducing debt of the company by \$336,629 during the first two quarters of 2014. During the third quarter of 2014 the Company issued 41,090,522 shares of common stock valued at \$92,755. During the fourth quarter of 2014 the Company issued 84,750,000 common shares for services valued at \$84,750 and 40,500,000 common shares for retiring \$40,500 of principal and accrued interest on convertible debentures.

During the quarter ended March 31, 2015 the Company issued 19,622,098 common shares for services valued at \$19,622, 9,800,000 common shares valued at \$9,800 for the Lumz n Blooms acquisition and 65,182,440 to pay \$126,644 of principal and \$9,018 of accrued interest on convertible debt.

During the quarter ended June 30, 2015, the Company retired \$35,575 in principal of convertible debt by issuing 33,010,000 common shares on convertible debt.

During the quarter ended September 30, 2016 the Company issued 45,000,000 common shares for \$8,100 of accrued interest.

At December 31, 2016, the Company had 2,000,000,000 common shares authorized and 929,740,572 common shares outstanding.

Warrants

On April 30, 2014 a Common Stock Purchase Warrant was executed for up to 800,000 shares as additional consideration for a \$37,000 convertible note. The warrants may be exercised for all or part at any time up to April 29, 2019 to purchase 800,000 common shares at \$.05 per share. In case the warrant shares aren't registered at the time of exercise, the warrants are subject to cashless exercise at the discretion of the warrant holders.

NOTE 6. ABANDONED PROJECTS

On April 24, 2014 the Company acquired 100% of Lumz'n Blooms LTD for 10,000,000 common shares. It's main products allow consumers to "Bring the Sun Indoors". Lighting, ballasts, growing materials are considered the "Pickaxe and Shovel" of the "Green Rush". During 2015 the Company abandoned its acquisition and wrote it off.

During the quarter ended June 30, 2015, the Company abandoned its subsidiaries Optimum Mobile Imaging LLC (OMI) and Integrated Medical Diagnostics that performed ultrasound procedures as ordered by physicians in their clinics on their patients. OMI operated in Arizona as an Independent Diagnostic Testing Facility that was licensed by Medicare and was contracted with most health insurance carriers in AZ for reimbursement of medically necessary procedures. The Company wrote off its investments of \$300,000 in the subsidiaries and their capitalized intellectual property of \$193,376.