ORHUB, INC.

QUARTERLY FINANCIAL STATEMENTS
-UNAUDITED-

December 31, 2016

Chief Financial Officer Certification

I, Lanny R. Lang, certify that:

I have reviewed ORhub, Inc.'s unaudited financial statements as of December 31, 2016 and for the three and six months ending December 31, 2016. Based on my knowledge, the unaudited financial statements, and other financial information included herein, fairly present in all material respects the financial condition, results of operations and cash flows of ORhub, Inc. as of and for the periods presented.

/s/ Lanny R. Lang	February 21, 2016
Lanny R. Lang Chief Financial Officer	Date

ORHUB, INC.
BALANCE SHEETS
(unaudited)

	December 31, 2016	June 30, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 27,614	$ 192
Employee travel advances	3,203	-
Deposits, prepaid expenses and other current assets	97,467	5,814
Note receivable	1,235,645	-
Total current assets	1,363,929	6,006
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $4,142 and $1,391, respectively	17,833	8,314
	$ 1,381,762	$ 14,320
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 115,158	$ 73,507
Accounts payable to related parties	8,874	37,161
Accrued salaries and payroll taxes	-	26,016
Accrued liabilities	42,320	53,516
Accrued liabilities to related party	12,765	-
Loans due to related parties	6,700	49,505
Note payable	36,504	-
Total current liabilities	222,321	239,705
LONG-TERM LIABILITIES:		
Note payable due to related party	330,000	350,000
Total long-term liabilities	330,000	350,000
Total liabilities	552,321	589,705
STOCKHOLDER'S EQUITY (DEFICIT):		
Preferred stock - undesignated, $0.001 par value; 7,775,827 shares authorized	-	-
Common stock, $0.001 par value; 190,000,000 shares authorized, 125,190,829 and 116,698,608 issued and outstanding, respectively	125,191	116,699
Additional paid-in capital	3,026,982	222,961
Accumulated deficit	(2,322,732)	(915,045)
Total stockholders' equity (deficit)	829,441	(575,385)
	$ 1,381,762	$ 14,320

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

ORHUB, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Six Months Ended	
	December 31, 2016	**December 31, 2015**	**December 31, 2016**	**December 31, 2015**
OPERATING EXPENSES				
Software development	$ 342,217	$ 8,050	$ 584,032	$ 8,050
Selling and marketing	55,597	2,449	109,867	2,449
General and administrative	248,340	118	440,835	118
Legal and professional fees	199,416	27,151	242,180	27,151
Depreciation and amortization	1,705	-	2,883	-
Total oper. expenses	847,275	37,768	1,379,797	37,768
OTHER EXPENSE:				
Settlement expenses	-	(473,445)	-	(473,445)
Interest expense	(12,765)	-	(27,890)	-
Total other expense	(12,765)	(473,445)	(27,890)	(473,445)
NET INCOME / (LOSS)	$ (860,040)	$ (511,213)	$ (1,407,687)	$ (511,213)
BASIC AND DILUTED NET INCOME / (LOSS) PER SHARE	$ (0.01)		$ (0.01)	
BASIC AND DILUTED WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	120,966,625		119,299,014	

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

ORHUB, INC.
STATEMENTS OF CASH FLOWS
(unaudited)

	For the six months ended December 31, 2016	For the six months ended December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (1,407,687)	$ (511,213)
Adjustments to reconcile net loss to net cash used in operating activities		
Common stock issued for debt claims settlement	-	271,429
Loss on liability assumed under settlement agreement	-	202,016
Depreciation and amortization	2,883	-
Changes in operating assets and liabilities:		
Employee travel advances	(3,203)	-
Deposits, prepaid expenses and other current assets	(91,653)	-
Accounts payable	54,851	27,151
Accounts payable to related parties	(28,287)	2,449
Accrued salaries and payroll taxes	(26,016)	-
Accrued liabilities	(11,196)	-
Accrued liabilities to related parties	12,765	-
Net cash used in operating activities	(1,497,543)	(8,168)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(12,402)	-
Net cash used in investing activities	(12,402)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan repayment to related parties	(62,805)	-
Borrowings on note payable	44,414	-
Repayments on note payable	(7,910)	-
Common stock issued under private investment	161,569	130,000
Common stock issued upon the exercise of Warrants	1,402,099	-
Net cash provided by financing activities	1,537,367	130,000
NET CHANGE IN CASH	27,422	121,832
CASH AT BEGINNING OF PERIOD	192	-
CASH AT END OF PERIOD	$ 27,614	$ 121,832

Continued

ORHUB, INC.
STATEMENTS OF CASH FLOWS
(unaudited)

	For the six months ended December 31, 2016	For the six months ended December 31, 2015
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$ 13,125	$
Income taxes	$ -	$ -
NONCASH INVESTING AND FINANCIAL ACTIVITIES:		
Note receivable issued for warrant exercise	$ 1,235,645	$ -
Sale of common stock paid directly to related party	$ -	$ 10,000
Common stock issued issued upon formation	$ -	$ 3,500
Settlements paid by ORhub Founders as contributed capital	$ -	$ 131,000

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

ORHUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - NATURE OF OPERATIONS AND BASIS OF PRESENTATION

ORhub, Inc. (the "*Company*") was originally organized as an Arizona corporation in 2004 and later changed its state of incorporation to Nevada. On June 30, 2016, pursuant to an Asset Purchase Agreement ("*APA*"), the Company acquired all the assets and assumed certain liabilities of ORhub, LLC, including its name, business, technology, website and patents (the "*Acquisition*"). The Company is engaged in software development, primarily in the development of the ORhub System. Effective February 9, 2017, the Company received regulatory approval to change its name to ORhub, Inc. to better reflect its business after the Acquisition.

Basis of Presentation

The unaudited interim financial statements contained in this quarterly report have been prepared in accordance with accounting principles generally accepted in the United States of America ("*U.S. GAAP*") and the rules of the Securities and Exchange Commission ("*SEC*") for interim financial information and do not include all of the information or disclosures required by U.S. GAAP for annual financial statements. Accordingly, these unaudited interim financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's financial report as of and for the year ended June 30, 2016, as filed on July 20, 2016. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year, or any other period.

NOTE 2 – GOING CONCERN AND MANAGEMENT'S PLANS

As of December 31, 2016, the accompanying financial statements have been presented on the basis that it is a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. For the six months ended December 31, 2016, the Company incurred a net loss of $1,407,687, consisting of software development, selling and marketing, general and administrative and legal and professional expenses, and as of December 31, 2016, had an accumulated deficit of $2,322,732. In view of these matters, recoverability of any asset amounts shown in the accompanying financial statements is dependent upon the Company's ability to begin operations and to achieve a level of profitability. These factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has financed its activities principally from the sale of equity securities and the exercise of the Company's Plan Warrants (see Note 12). The Company intends on financing its future development activities and its working capital needs largely from loans, the sale of equity securities, the exercise of Plan Warrants, along with some additional funding from other traditional financing sources until such time that funds provided by operations are sufficient to fund working capital requirements. Although no assurances can be given, management believes that its funding plans will allow the Company to obtain sufficient capital for operations and to continue as a going concern.

NOTE 3 – NOTE RECEIVABLE

On December 19, 2016, the Company accepted a promissory note from Eliseo Partners (Asia) Limited ("*Eliseo*") for $1,235,644.76 for the exercise of 3,707,305 Plan Warrants and issued Eliseo an identical number of shares of common stock. This note was originally due on January 10, 2017, but the Company entered into a forbearance agreement with Eliseo extending the maturity date of the note until March 29, 2017 (see Note 16). This note bears interest at 15% per annum from the original due date and any interest under the note is due at maturity.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	December 31, 2016	June 30, 2016
Computer equipment	$ 21,975	$ 9,705
Less: accumulated depreciation	(4,142)	(1,391)
	$ 17,833	$ 8,314

Depreciation expense is computed on the basis of three to five year useful lives for all property and equipment. Depreciation expense totaled $2,883 for the six months ended December 31, 2016.

NOTE 5 – PATENT AND INTELLECTUAL PROPERTY

Christopher Wiggins and William Dobkin, founders of ORhub, LLC (the "*ORhub Founders*") and members of the Company's Technical Advisory Board, applied for patents related to the ORhub System in 2011 and again in 2015. These patents were assigned to ORhub, LLC and subsequently assigned to the Company under the terms of the APA. These patents are both pending. The initial 2011 patent claims have been rejected by the Patent Office. Since the Patents have not been awarded, costs of pursuing the patents are expensed as incurred.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities consisted of the following

	December 31, 2016	June 30, 2016
Due to Mack Consulting, Inc. ("*MCI*")	$ 17,515	$ 53,516
Other accrued liabilities	24,805	-
	$ 42,320	$ 53,516

The amount due to MCI is in connection with a settlement agreement with Mack Consulting, Inc. (see Notes 15 and 16).

NOTE 7 – LOANS DUE TO RELATED PARTIES

Loans due to related parties consisted of the following:

	December 31, 2016	June 30, 2016
Castillo Misterio, LLC		
(beneficially owned by Colton Melby)	$ -	$ 32,400
JAATRL, LLC		
(beneficially owned by William Dobkin)	1,350	1,350
Wylde, LLC		
(beneficially owned by Christopher Wiggins)	5,350	15,755
	$ 6,700	$ 49,505

Loans due to related parties are unsecured and do not bear interest or have a maturity date (see Note 13).

NOTE 8 – NOTE PAYABLE

On November 17, 2016, the Company entered into a Premium Finance Agreement with AFCO Credit Corporation in the original principal amount of $48,568. The note payable provides for an initial down payment of $4,154 and 11 monthly installments of $4,154 commencing December 16, 2016. The balance of the note payable is $36,504 as of December 31, 2016.

NOTE 9 – LONG-TERM NOTES PAYABLE TO RELATED PARTIES

Long-term notes payable due to related party in the amount of $350,000 is the remaining note payable liability of the Company due to Aztoré Capital Corp. ("*ACC*") after the Acquisition. The note payable is unsecured and accrues interest at 15% per annum, with interest payable quarterly. The maturity date on the note is July 1, 2019. During the six months ended December 31, 2016, the Company paid $20,000 toward the principal of the note and $13,125 of interest. Accrued interest of $12,765 is included in accrued liabilities to related party on the accompanying balance sheet as of December 31, 2016 (see Note 13).

NOTE 10 – STOCKHOLDERS' EQUITY

Common stock

The Company's authorized capital consisted of 190,000,000 shares of common stock, $.001 par value. During the six months ended December 31, 2016 the Company sold 538,563 shares of common stock in a private transaction to an unaffiliated party for $161,569, and issued 7,953,658 shares of common stock upon the exercise of common stock purchase warrants (see Note 12). As of December 31, 2016, the Company has 125,190,829 shares of common stock outstanding.

In addition, a total of 64,209,712 shares of common stock have been reserved for potential exercises under the Company's stock option plan (see Note 11) and the exercise of common stock purchase warrants (see Note 12). The adequacy of this reserve is reviewed and adjusted as necessary quarterly.

Preferred stock

The Company's authorized capital also originally provided for 10,000,000 shares of undesignated preferred stock. The board of directors of the Company, in its sole discretion, may establish par value, divide the shares of preferred stock into series, and fix and determine the dividend rate, designations, preferences, privileges, and ratify the powers, if any, and determine the restrictions and qualifications of any series of preferred stock as established. As of December 31, 2016, the Company has 7,775,827 shares of undesignated preferred stock authorized, due to the prior exercise of Series A, B and C Preferred stock. All series of Preferred stock have been withdrawn.

NOTE 11 – STOCK OPTION PLAN

On June 29, 2016, the Company's stockholders approved a new equity incentive plan ("*2016 EIP*") for employees, non-employee directors and other service providers covering 10,000,000 shares of common stock. As of June 30, 2016, no options were outstanding.

Any options to be granted under the 2016 EIP may be either "incentive stock options," as defined in Section 422A of the Internal Revenue Code, or "nonqualified stock options," subject to Section 83 of the Internal Revenue Code, at the discretion of the board of directors of the Company and as reflected in the terms of the written option agreement. The option price shall not be less than 100% of the fair market value of the optioned common stock on the date the option is granted. The option price shall not be less than 110% of the fair market value of the optioned common stock for an optionee holding at the time of grant, more than 10% of the total combined voting power of all classes of stock of the Company. Options become exercisable based on the discretion of the board of directors of the Company and must be exercised within ten years from the date of grant (five years from date of grant for Company affiliated grantees.)

A summary of stock option activity for the six months ended December 31, 2016 is as follows:

	Number	Weighted Average Exercise price
Options outstanding June 30, 2016	-	
Granted	8,050,000	$.31
Exercised	-	
Forfeited	-	
Options outstanding December 31, 2016	8,050,000	$ .31
Options available for grant as of December 31, 2016	1,950,000	
Options exercisable as of December 31, 2016	936,000	$ .31

NOTE 12 – COMMON STOCK PURCHASE WARRANTS

The Company has five series of common stock purchase warrants outstanding allowing holders to purchase additional shares of common stock (the "*Plan Warrants*"). Each Plan Warrant provides for the purchase of one share of common stock and is callable at any time by the Company for a price of $.0001 per warrant. The Plan Warrants are governed by a Warrant Agreement. Currently, the Company is acting as the Warrant Agent and the Warrant Transfer Agent but has the right to appoint alternatives to either position in accordance with the Warrant Agreement. The Board of Directors can extend the expiration date of the Plan Warrants or reduce the exercise price of any Plan Warrant on a temporary or permanent basis.

Pursuant to the Warrant Agreement, without Company approval, a holder may not exercise Plan Warrants which when combined with current beneficial ownership would increase such holder's ownership in the Company above 5%. On August 1, 2016, in response to a request, the Company waived the 5% ownership restriction for six large shareholders who owned greater than 5% of the Company in exchange for undertakings regarding current information to meet the Company's disclosure requirements.

A summary of the Plan Warrants outstanding as of December 31, 2016, is as follows:

	Series B Warrants	Series C & D Warrants	Series E & F Warrants
Warrants outstanding, June 30, 2016	8,293,025	16,846,982	16,846,982
Exercised	3,461,456	2,634,920	1,857,282
Expired	-	-	-
Warrants outstanding, December 31, 2016	4,831,569	14,212,062	14,989,700
Exercise price (1)	$ .3333	$ .3333	$ .3333
Warrant Expiration date	Dec. 31, 2017	Dec. 31, 2017	Dec. 31, 2017

(1) On July 8, 2016, the board of directors approved reducing the exercise price of all Plan Warrants to $.3333 (the "*Special Exercise Price*") which expired on October 6, 2016, but was extended for only the Series B Plan Warrants until December 5, 2016. Thereafter, the Special Exercise price could be used for all the Plan Warrant Series until February 27, 2017. At that date, the remainder of the unexercised Plan Warrants will revert to their original exercise prices of $2.00 (the B Plan Warrants), $3.00 (the Series C & D Plan Warrants) and $4.00 (the Series C & D Plan Warrants).

NOTE 13 – RELATED PARTIES

ASC Topic 850 requires that transactions with related parties that would make a difference in decision making be disclosed so that users of the financial statements can evaluate their significance. The following are significant related party transactions between the Company and its related parties.

Advisory Board (Christopher Wiggins, William Dobkin and Richard Lee)

Christopher Wiggins and William Dobkin are the founders of ORhub, LLC (the "*ORhub Founders*") and, together with Richard Lee, are members of the Company's Surgical, Business and Technical Advisory Board (the "*Advisory Board.*"). As discussed in Note 5, the ORhub Founders developed Patents that were assigned to ORhub, LLC and subsequently assigned to the Company under the terms of the APA. As discussed in Note 7, the ORhub Founders have loaned money to the Company through their investment entities, Wylde, LLC and JAATRL, LLC, with a balance due of $5,350 and $1,350, respectively, as of December 31, 2016. Mr. Wiggins, Dr. Dobkin and Dr. Lee own approximately 17.5%, 19.9% and 12.1%, respectively, of the Company as of December 31, 2016. On August 1, 2016, each member of the Advisory Board was granted 100,000 Non-qualified Stock Options at $.30 for their services during the fiscal year. These options vest 50% on December 31, 2016 and the remainder on June 30, 2017.

Castillo Misterio, LLC and Castillo de Coachella, LLC

Colton Melby, the Company's Chief Executive Officer, is the beneficial owner of Castillo Misterio, LLC ("*Misterio*") and Castillo de Coachella, LLC ("*Coachella*"). On August 1, 2016, the Company contracted with Misterio to supply management services at a rate of $350,000 per annum, plus supply Mr. Melby health insurance. This Agreement was retroactive to July 1, 2016. Misterio was also granted 1,500,000 Non-qualified Stock Options at $.33. These options vest in 12 equal quarterly amounts starting on September 30, 2016 with customary acceleration upon sale. As discussed in Note 7, Misterio loaned money to the Company, with a balance due of zero as of December 31, 2016. As of December 31, 2016, Coachella owned approximately 13.2% of the Company.

Wesley Mitchell / Sudden Valley, LLC

Wesley Mitchell is the Company's Chief Technical Officer and beneficial owner of Sudden Valley, LLC. Mr. Mitchell is compensated at the rate of $285,000 per year for his services to the Company. As of December 31, 2016, Sudden Valley, LLC owned approximately 13.2% of the Company. He was owed $7,075 of expenses as of December 31, 2016, included in accounts payable to related parties.

Aztoré Capital Corp.

ACC is a Phoenix, Arizona-based investment company. Effective July 1, 2016, the Company contracted with ACC to provide management services for $29,167 per month. Currently Michael S Williams, the President of ACC, acts as the Company's EVP and is a director of the Company and Lanny R. Lang, the Chief Financial Officer of ACC, acts as the Chief Financial Officer of the Company. On August 1, 2016, Messrs. Williams and Lang were also each awarded 500,000 Non-qualified Stock Options at $.30. These options vest in 12 equal quarterly amounts starting on September 30, 2016 with customary acceleration upon sale. Excluding the above options, Messrs. Williams and Lang own directly or beneficially 0.1% and 0.4%, respectively, of the Company as of December 31, 2016.

As of December 31, 2016, ACC owned approximately 8.3% of the Company. In addition, the Company reimburses ACC $500 monthly for its use of ACC's office facility. As discussed in

Note 7, ACC is also owed a promissory note of $330,000 and accrued interest of $12,765 as of December 31, 2016.

Corey Lambrecht

Corey Lambrecht serves as an independent director of the Company. Mr. Lambrecht owned approximately 0.3% of the Company as of December 31, 2016 . On August 1, 2016, Mr. Lambrecht was granted 200,000 Non-qualified Stock Options at $.30 for his service during the fiscal year. These options vest 50% on December 31, 2016 and the remainder on June 30, 2017.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

In the normal course of its business, the Company may be subject to certain contractual obligations and litigation. In management's opinion, upon consultation with legal counsel, there is no current litigation that will materially affect the Company's financial position or results of operations.

Office Facility Lease

The Company currently leases 873 square feet pursuant to an Office Lease Agreement with Regus Management Group, LLC ("*Regus*") in Bellevue, WA. Regus held a deposit of $24,350 as of December 31, 2016. The Company incurred $40,807 of rent expense, including parking, business services and other related costs, for the six months ended December 31, 2016. The maturity of this lease is June 30, 2018. The Company's lease liability for the remainder of the fiscal year ending June 30, 2017 and for the fiscal year ending June 30, 2018 is approximately $73,000 and $147,000, respectively. The Company must provide Regus a 60-day notice no later than April 30, 2018 to terminate this lease. The Company is confident alternative or additional space will be available at competitive prices.

NOTE 15 – SETTLEMENT AGREEMENTS

As reflected in the accompanying Statement of Operations, ORhub, LLC recorded a settlement expense of $473,445 during the comparable preceding six months ended December 31, 2015. The settlement expense pertains to results of operations of ORhub, LLC. for the six months ended December 31, 2015. Under the terms of the APA, ORhub, LLC is deemed to be the accounting acquirer for accounting purposes, and consequently, the prior results of operations of ORhub, LLC become the historical financial statements of the Company.

In 2011, the ORhub Founders formed i22, LLC ("*i22*"), an entity which had originally attempted to develop what became the ORhub System. i22 contracted with various parties including CESi22, LLC, Packaging 22, LLC and Crescent Enterprise Solutions, Inc. (together the "*i22 Entities*.") In November 2014, and amended in January 2015, when i22 failed to meet its plan objectives, the ORhub Founders executed a settlement with the i22 Entities to obtain 100% of the ownership of i22. This settlement included assigning all the intellectual property related to the ORhub System that had been developed into the ORhub Founder's names as well as the assumption of certain liabilities.

During 2015, the ORhub Founders resolved to make another effort at developing the ORhub System. They formed ORhub, LLC in November 2015 and transferred all the intellectual property to ORhub, LLC and eventually to the Company under the APA. To avoid any potential claims against the Company from any and all members, affiliates, lenders and others in i22, The Company entered into the following Settlement Agreements:

Lender Settlements. During 2014, two parties ("*Lenders*") lent money to i22. The Company negotiated Settlement Agreements for a comprehensive release of any potential claims against the Company from the Lenders. In exchange for this comprehensive release, the Company recorded an expense of $271,429 related to this settlement for the period ended December 31, 2015.

Mack Consulting Settlement. As part of the settlement with the i22 Entities, the ORhub Founders entered into a Transfer, Settlement and Confidentiality Agreement dated November 4, 2014 (the "*Mack Agreement*") agreeing to pay Mack Consulting, Inc. ("*MCI*") $202,016 (the "*Mack Claim*"). Under the Mack Agreement, MCI and all members of i22 released all their claims, returned all i22 membership interests, agreed to maintain confidentiality, and entered into non-compete agreements expiring in November 2019. The ORhub Founders contributed the benefits of the Mack Agreement and any other benefits to the Company along with the pending patents for the Company assumption of the Mack Claim. Accordingly, the Company recorded an expense of $202,016 related to the Mack Agreement for the period ended December 31, 2015. Pursuant to the APA, the Company assumed the Mack Claim. As of December 31, 2016, the Mack Claim is $29,260 and is reflected as an accrued liability on the accompanying balance sheet.

NOTE 16 – SUBSEQUENT EVENTS

As of February 21, 2017, the date of these financial statements, there are no subsequent events that are required to be recorded or disclosed in the accompanying financial statements as of and for the period ended December 31, 2016 other than those listed below:

Note Receivable Forbearance Agreement

As discussed in Note 2, the Company entered into a Forbearance Agreement with Eliseo Partners (Asia) Limited extending the due date on their note until March 27, 2017.

Related Party Borrowing

On February 13, 2017, Misterio (see Note 13) loaned the Company $30,000 and subsequently directly paid approximately $15,680 in Company expenses. The Company issued Misterio a note payable for these borrowings. The note is due on demand and bears interest at 12% per annum. The Board of Directors is evaluating appropriate warrant coverage to Misterio in connection with the loan.

Commitment under Consulting Agreement

The Company is committed to issue 150,000 shares of unregistered common stock pursuant to a Consulting Agreement dated October 1, 2016 with Optimum Holdings, LLC ("*Optimum*") as compensation for Optimum to implement and deploy a comprehensive plan to increase and develop awareness of the Company's public market exposure.

Notice of Default Asserted by Mack Consulting

On January 24, 2017, the ORhub Founders received a Notice of Default and Demand for Cure ("*Notice*") from a lawyer representing Mack Consulting in connection with the Mack Agreement (see Note 15). The Notice demands payment of the outstanding principal, interest and late fees totaling $29,299 as of January 31, 2017. The Notice was directed against the ORhub Founders, each of which are jointly and severally liable for the amount owed under the Mack Agreement. The Notice does not name the Company, although the Company assumed the Mack Claim under the APA.

Additional Plan Warrant Exercises

Subsequent to December 31, 2016 through February 21, 2017, the date of these financial statements, the Company received $528,098 in proceeds from the exercise of Plan Warrants, as shown in the following table.

	Series B Warrants	Series C & D Warrants	Series E & F Warrants
Warrants outstanding, December 31, 2016	4,831,569	14,212,062	14,989,700
Exercised at the Special Ex Price	138,621	277,224	277,224
Expired	-	-	-
Warrants outstanding, February 21, 2016	4,692,948	13,934,838	14,712,476

Common Stock

As of February 21, 2017, the date of these financial statements, with the exercise of the additional Plan Warrants, the Company has 125,883,898 shares of common stock outstanding.