UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **April 30, 2016**

[ ] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from __________ to__________

\Commission File Number: **333-119848**

Precious Investments, Inc.
(Exact name of registrant as specified in its charter)

Nevada	**90-0338080**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1101 – 21 Dundas Square
Toronto, Canada M5B 1B7
(Address of principal executive offices)

416-919-9509
(Registrant's telephone number)

133 Richmond Street West, Suite 310
Toronto, Ontario M5H-2L3
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
[ ] Yes [X] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [ ] Yes [X] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

[ ] Large accelerated filer	[ ] Accelerated filer
[ ] Non-accelerated filer	[X] Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
[ ] Yes [X] No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 10,173,616 common shares as of June 7, 2016.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our financial statements included in this Form 10-Q are as follows:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended April 30, 2016 are not necessarily indicative of the results that can be expected for the full year.

Condensed Consolidated Interim Balance Sheets
as of April 30, 2016 (unaudited) and July 31, 2015

	April 30, 2016	July 31, 2015
ASSETS		
Inventory	$ 4,000,250	—
Prepaid expenses	—	—
Total assets	$ 4,000,250	$ —
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accrued liabilities	$ 347,586	$ 151,336
Promissory notes	16,450	16,450
Convertible notes payable	1,277,665	312,285
Loan payable - related party	64,349	45,949
Total current liabilities	1,706,050	526,020
Total liabilities	1,706,050	526,020
Stockholders' equity (deficit)		
Preferred stock, par value $.001; 10,000,000 shares authorized; 250,000 and 250,000 issued and outstanding as of April 30, 2016 and July 31, 2015, respectively.	250	250
Common stock; $0.001 par value; 250,000,000 shares authorized; 4,964,154 and 3,377,294 outstanding as of April 30, 2016 and July 31, 2015, respectively	4,964	3,377
Additional paid-in capital	6,875,134	959,198
Treasury stock	(45,000)	(45,000
Accumulated deficit	(4,541,148)	(1,443,845
Total stockholders' equity (deficit)	2,294,200	(526,020
Total liabilities and stockholders' equity (deficit)	$ 4,000,250	$ —

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

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
for the three and nine months ended April 30, 2016 and 2015
(unaudited)

	For the three month ended		For the nine months ended	
	April 30, 2016	April 30, 2015	April 30, 2016	April 30, 2015
Revenues	$ —	$ —	$ —	$ —
Operating expenses				
General and administrative expenses	5,154	16,377	18,380	98,824
Professional fees	1,506,555	—	2,235,052	—
Total operating expenses	1,511,709	16,377	2,253,432	98,824
Loss before undernoted	(1,511,709)	(16,377)	(2,253,432)	(98,824)
Other expense				
Interest expense	(389,203)	(5,431)	(1,151,371)	(14,777)
Gain on the sale of subsidiary	307,500	—	307,500	—
Total other expense	(81,703)	(5,431)	(843,871)	(14,777)
Net loss and comprehensive loss	$ (1,593,412)	$ (21,808)	$ (3,097,303)	$ (113,601)
Net loss per common share: basic and diluted	$ (0.31)	$ (0.01)	$ (0.70)	$ (0.04)
Basic and diluted weighted average common shares outstanding	5,111,376	3,067,294	4,404,038	3,035,005

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

Condensed Consolidated Interim Statements of Cash Flows
for the nine months ended April 30, 2016 and 2015
(unaudited)

	For the nine months ended	
	April 30, 2016	April 30, 2015
Cash Flows from Operating Activities		
Net loss	$ (3,097,303)	$ (113,601)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of debt discount	967,317	10,780
Shares issued for services	2,187,500	—
Gain on the sale of subsidiary	(307,500)	
Changes in assets and liabilities		
Accounts payable and accrued expenses	196,250	102,821
Net cash from operating activities	(53,736)	—
Cash Flows from Financing Activities		
Proceeds from the sale of common stock	35,336	—
Advances from related parties	18,400	—
Net cash from financing activities	53,736	—
Net increase (decrease) in cash	—	—
Cash, beginning of period	—	—
Cash, end of period	$ —	$ —
Non-Cash investing and financing transactions		
Issuance of note payables for inventory	$ 4,000,250	$ —
Shares issued to settle convertible debt	$ 1,800	$ —
Decrease in discount on convertible notes due to conversion	$ 195	$ 17,944

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

Precious Investments, Inc.
Notes to Condensed Consolidated Interim Financial Statements (unaudited)
April 30, 2016

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business

Precious Investments, Inc. (Formerly FIGO Ventures, Inc.) ('The Company') was incorporated under the laws of the State of Nevada on May 26, 2004. The Company was an Exploration Stage Company with the principle business being the acquisition and exploration of resource properties.

The Company had allowed its charter with the state of Nevada to be revoked by the Secretary of State for failure to file the required annual lists and pay the required annual fees. Its last known officers and directors reflected in the records of the Secretary of State were unresponsive or stated they were no longer involved with the Company. The purported replacement officers and directors were unresponsive.

On September 14, 2012, NPNC Management, LLC filed a petition in the Eighth Judicial District Court in Clark County, Nevada and was appointed custodian of the Company on October 15, 2012.

In order to obtain basic operating capital to pay for the reinstatement of the Company's good standing with the Nevada Secretary of State, to bring the Company's account current with creditors essential for the reorganization of the Company, such as the transfer agent, and for basic general corporate purposes, on October 24, 2012, the interim board authorized the sale of 55,000,000 (2,200,000 split adjusted) shares of common stock for $6,000 to NPNC Management, LLC, in a private placement transaction exempt from the Securities Act of 1933, as amended, pursuant to section 4(2) thereof and the rules and regulations promulgated there under.

On October 24, 2012, NPNC Management, LLC appointed Bryan Clark as director of the Company, to hold office until such time as the shareholders elected a board. The interim board, consisting of Mr. Clark, further acted to appoint Mr. Clark as president, treasurer, and secretary of the Company, to act on behalf of the Company, and to hold such offices until removed by any subsequent board elected by the shareholders.

On November 13, 2013, Bryan Clark tendered his resignation from all positions as an Officer and Director of the Company and the Board appointed Anna Wlodarkiewicz as a Director, President, Secretary and Treasurer of the Company.

On October 9, 2014, Anna Wlodarkiewicz tendered her resignation from all positions as an Officer and Director of the Company and the Board appointed Nataliya Hearn as a Director, President, Secretary and Treasurer of the Company.

On March 28, 2016, Nataliya Hearn resigned as the Company's Chief Executive Officer and Director. Mr. Kashif Khan is the Company's sole officer and director.

The Company has completed an asset purchase agreement dated August 10, 2015 where the Company acquired from Kashif Khan, its sole officer and director, colored diamonds with a wholesale value of US$4 Million, which he was in control of, in exchange for issuing three secured demand convertible promissory notes totaling US$4 Million.

The Company is in the business of purchasing and selling colored diamonds.

Basis of Presentation

The condensed consolidated interim financial statements are presented in conformity with accounting principles generally accepted in the United States of America, as reported on our fiscal period ended on April 30, 2016. We have summarized our most significant accounting policies.

Unaudited Condensed Consolidated Interim Financial Statements

These unaudited condensed consolidated interim financial statements have been prepared on the same basis as the annual financial statement and should be read in conjunction with those annual financial statements filed on Form 10-K for the year ended July 31, 2015. In the opinion of management, these unaudited condensed consolidated interim financial statements reflect adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results for a full year or for any future period.

Precious Investments, Inc.
Notes to Condensed Consolidated Interim Financial Statements (unaudited)
April 30, 2016

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 the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 – ORGNIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks.

The Company reviews the terms of convertible loans, equity instruments and other financing arrangements to determine whether there are embedded derivative instruments, including embedded conversion options that are required to be bifurcated and accounted for separately as a derivative financial instrument. Also, in connection with the issuance of financing instruments, the Company may issue freestanding options or warrants to employees and non-employees in connection with consulting or other services. These options or warrants may, depending on their terms, be accounted for as derivative instrument liabilities, rather than as equity.

Derivative financial instruments are initially measured at their fair value. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at fair value and then re-valued at each reporting date, with changes in the fair value reported as charges or credits to income. To the extent that the initial fair values of the freestanding and/or bifurcated derivative instrument liabilities exceed the total proceeds received an immediate charge to income is recognized in order to initially record the derivative instrument liabilities at their fair value.

The discount from the face value of the convertible debt instruments resulting from allocating some or all of the proceeds to the derivative instruments, together with the stated rate of interest on the instrument, is amortized over the life of the instrument through periodic charges to income, using the effective interest method.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is reassessed at the end of each reporting period. If reclassification is required, the fair value of the derivative instrument, as of the determination date, is reclassified. Any previous charges or credits to income for changes in the fair value of the derivative instrument are not reversed. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within twelve months of the balance sheet date.

Fair value of financial instruments

The Company's financial instruments consist of its liabilities. The carrying amount of payables and the loan payable – related party approximate fair value because of the short-term nature of these items. The promissory notes, and convertible notes payables are measured at amortized cost using the effective interest method, which approximates fair value due to the relationship between the interest rate on long-term debt and the Company's incremental risk adjusted borrowing rate.

Inventories

Inventory consist of loose colored diamond acquired during the period (See Note 8) and is stated at the lower of cost or net realizable value. The Company writes-down inventory once it has been determined that conditions exist that may not allow the inventory to be sold for its intended purpose or the inventory is determined to be excess or obsolete based on our forecasted future sales. The charge related to inventory write-downs is recorded as a cost of revenue.

Precious Investments, Inc.
Notes to Condensed Consolidated Interim Financial Statements (unaudited)
April 30, 2016

Recently Issued Accounting Pronouncements

On May 28, 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The accounting standard is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early adoption is permitted as of annual reporting periods beginning after December 15, 2016, including interim periods within that period. The impact on the condensed interim financial statements of adopting ASU 2014-09 will be assessed by management.

On August 27, 2014, the FASB issued a new financial accounting standard on going concern, ASU No. 2014-15, “Presentation of Financial Statements – Going Concern (Sub-Topic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern.” The standard provides guidance about management’s responsibility to evaluate whether there is a substantial doubt about the organization’s ability to continue as a going concern. The amendments in this Update apply to all companies. They become effective in the annual period ending after December 15, 2016, with early application permitted. The impact on the condensed consolidated interim financial statements of adopting ASU 2014-15 will be assessed by management.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying condensed consolidated interim financial statements.

NOTE 2 – GOING CONCERN

These condensed consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As of April 30, 2016, the Company has an accumulated deficit of $4,541,148. The Company’s ability to continue as a going concern is contingent upon the successful completion of additional financing arrangements and our ability to achieve and maintain profitable operations. While we are expanding our best efforts to achieve the above plans, there is no assurance that any such activity will generate funds that will be available for operations. These conditions raise substantial doubt about our ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments that might arise from this uncertainty.

NOTE 3 – BITGEMS ASSETS MANAGEMENT LTD

On March 24, 2016, the Company entered into an Agreement for Transfer of Ownership with Gulf Peal Ltd. and goNumerical Ltd.(the “Consulting Firms”) (the “Transfer Agreement”). Under the Transfer Agreement, the Company agreed to transfer all intellectual property rights as part of the cryptocurrency diamond market and PinkCoin projects to Gulf Pearl Ltd. and GoNumerical Ltd. (the “Consulting Firms”). In addition, the Company agreed to transfer ownership and management of its subsidiary, Bitgems Assets Management Ltd., to the Consulting Firms. In exchange, the Consulting Firms agreed to return their collective 1,000,000 shares in the Company acquired under the previously entered Memorandum of Understanding dated October 1, 2015 and Amended Memorandum of Understanding dated October 12, 2015.

On the date of the sale, Bitgems Assets Management had no assets or liabilities and as such the Company recorded the value of the 1,000,000 shares received of $2,400,000 as a gain on the sale of subsidiary. Additionally, the Company recorded the amortization of a previously recorded prepaid expense of $2,092,500 (See note 4) associated with the MOU to the sale price of the subsidiary. As a result during the three and nine months ended April 30, 2016, the Company recorded a net gain on the sale of its subsidiary of $307,500.

Precious Investments, Inc.
Notes to Condensed Consolidated Interim Financial Statements (unaudited)
April 30, 2016

NOTE 4 – PREPAID EXPENSES

On October 1, 2015, we entered into a Memorandum of Understanding ("MOU") with Gulf Peal Ltd. and goNumerical Ltd. (the "Consulting Firms") in which each of the Consulting Firms shall receive 500,000 shares of common stock upon meeting certain milestones, with 250,000 shares of common stock being earned upon execution of the MOU. During the period ended April 30, 2016, we issued a total of 1,000,000 shares of common stock valued at $2,790,000 based on the fair market value on the agreement date to the consultants related to the agreement.

During the quarter ended April 30, 2016, the Company had included the value of the 750,000 unearned shares amounting to $2,092,500 as a prepaid expense until such time the milestones were met and the shares were earned.

As of April 30, 2016, no additional milestones were met and as a result of the Transfer Agreement (See Note 3) and the return of the previously issued shares, the Company has amortized the balance of the outstanding prepaid of $2,092,500 to the selling price of the subsidiary. As of April 30, 2016 and 2015, the balance of the prepaid expenses is $0.

NOTE 5 – PROMISSORY NOTES

Promissory notes payable as of April 30, 2016 and July 31, 2015 consisted of the following:

Description	April 30, 2016	July 31, 2015
Note payable dated January 15, 2014, matured January 15, 2015 bearing interest at 12% per annum.	$ 3,000	$ 3,000
Note payable dated February 14, 2014 matured February 14, 2015, bearing interest at 12% per annum.	3,750	3,750
Note payable dated April 1, 2014 matured April 1, 2015, bearing interest at 12% per annum.	4,700	4,700
Note payable dated January 30, 2014, matured January 30, 2015, bearing interest at 12% per annum.	5,000	5,000
Total	$ 16,450	$ 16,450

These notes have matured as of April 30, 2016, however have not been paid. Interest expense related to the notes for the six months ended April 30, 2016 and 2015 was $1,482 and $1,446 respectively.

Precious Investments, Inc.
Notes to Condensed Consolidated Interim Financial Statements (unaudited)
April 30, 2016

NOTE 6- CONVERTIBLE DEBT

Convertible debt as of April 30, 2016 and July 31, 2015 consisted of the following:

Description	April 30, 2016	July 31, 2015
Convertible note agreement dated January 11, 2007, of up to $1,000,000 bearing interest at 10% per annum, originally scheduled to mature on January 11, 2009. Convertible by Lender at its sole option into units in the capital stock such that for each $0.40 of principal outstanding at the time of conversion may be converted into one unit consisting of one common share and one non-transferable share purchase warrant exercisable for a period of up to two years from the date of conversion. Each warrant shall entitle the Lender to purchase an additional common share of the Company at $0.60 during the term of the warrants. The remaining balance of the beneficial feature conversion applicable to this note at January 31, 2016 and July 31, 2014 was zero.	$ 289,140	$ 289,140
Convertible note agreements (3) dated November 1, 2013, totaling $45,000. Maturing on November 30, 2015 bearing interest at 12% per annum. Principal and accrued interest is convertible at $.00225 per share. The beneficial conversion feature was recorded as a discount to the debt and is being amortized over the term of the notes.	25,119	27,056
Convertible note agreements (3) dated August 10, 2015, totaling $4,000,000. Maturing on August 9, 2018 bearing interest at 6% per annum. Principal and accrued interest is convertible at $.247 per share. The beneficial conversion feature was recorded as a discount to the debt and is being amortized over the term of the notes. (See note 8)	4,000,000	-
Less: unamortized discount	(3,036,594)	(3,910)
Convertible notes, net of discount	1,277,665	312,285

The Company does not have a copy of the Convertible note agreement dated January 11, 2007. Neither the Note nor the name of the lender are found in our public filings. The Company has taken significant efforts to locate a copy of the Note to no avail. The Company contacted the prior auditor, Dale Matheson Carr-Hilton Labonte LLP, which audited our July 31, 2008 and 2007 financial statements found in our 10KSB for the year ended July 31, 2008. After conducting a search, Dale Matheson informed us that they do not have a copy of the Note. Despite not having a copy of the Note, the material terms of the note were contained in our prior financial statements for the year ended July 31, 2008, and those terms are sufficient for all material purposes to accurately present our current financial statements. The Note matured on January 11, 2009 and the statute of limitations ran on January 11, 2015. As such, the Company cannot file a copy of the Note, but believe the present circumstances warrant a departure from the requirements of Item 601 of Regulation S-K.

During the nine months ended April 30, 2016 and 2015, the Company recognized $967,317 and $8,800 of accretion expense on the above notes, respectively. Interest expense related to these notes for the nine months ended April 30, 2016 and 2015 was $184,054 and $2,552, respectively.

NOTE 7 – RELATED PARTY TRANSACTIONS

A shareholder of the Company has paid certain expenses of the Company. These amounts are reflected as a loan payable to related party. The shareholder advanced $18,400 during the nine months ended April 30, 2016. As of the April 30, 2016 and July 31, 2015, there were $64,349 and $45,949 due to related parties, respectively. All advances from related parties are interest free and due upon demand.

Precious Investments, Inc.
Notes to Condensed Consolidated Interim Financial Statements (unaudited)
April 30, 2016

NOTE 8 – DIAMOND PURCHASE AGREEMENTS

On August 10, 2015, we entered into a Diamond Purchase Agreement (the "Agreement") with Kashif Khan ("Khan"), an arm's length party. Pursuant to the Agreement, we acquired from Khan colored diamonds (the "Assets") for three demand secured convertible promissory notes (the "Notes") in the aggregate principal amount of $4,000,000. The Notes have the following features:

Note A

Note A is in the principal amount of $1.7 million, accrues interest at 6% per annum and matures: a) within 20 business days of a receipt of written demand from the holder for payment of all of the Notes, provided that i) we have not raised $5 million in debt or equity financing before written demand was tendered or any portion of Note was converted into shares of our common stock; or b) in all other cases, thirty-six months from the issuance of Note A.

Upon written demand for payment, the Company may either pay all principal and accrued interest on the Notes or return the Assets to the holder to fulfill all obligations.

The holder may convert the principal and accrued interest into shares of our common stock at $0.247386975 per share up to a maximum conversion allowance of 6,871,825 shares. If the we raise $5 million in debt or equity financing or if the holder converts any portion of Note A, then the Note will automatically convert at maturity into a total of 6,871,825 shares of our common stock. If we prepay Notes B and C, however, then the conversion price will adjust to $0.105139464 per share for a total conversion allowance of 16,169,000 shares.

The Company may not prepay Note A and it is secured by $1,700,000 worth of the Assets.

Note B

Note B is in the principal amount of $1.15 million, accrues interest at 6% per annum and matures: a) within 20 business days of a receipt of written demand from the holder for payment of all of the Notes, provided that i) we have not raised $5 million in debt or equity financing before written demand was tendered or any portion of Note was converted into shares of our common stock; or b) in all other cases, thirty-six months from the issuance of Note B.

Upon written demand for payment, the Company may either pay all principal and accrued interest on the Notes or return the Assets to the holder to fulfill all obligations.

The holder may convert the principal and accrued interest into shares of our common stock at $0.247386975 per share up to a maximum conversion allowance of 4,648,588 shares. If we raise $5 million in debt or equity financing or if the holder converts any portion of Note B, then the Note will automatically convert at maturity into a total of 4,648,588 shares of our common stock.

The Company may prepay all of the outstanding principal and accrued interest under Note B, provided that we also prepays all of the outstanding principal and accrued interest of Note C. Note B is secured by $1,150,000 worth of the Assets.

Note C

Note C is in the principal amount of $1.15 million, accrues interest at 6% per annum and matures: a) within 20 business days of a receipt of written demand from the holder for payment of all of the Notes, provided that i) we have not raised $5 million in debt or equity financing before written demand was tendered or any portion of Note was converted into shares of our common stock; or b) in all other cases, thirty-six months from the issuance of Note C.

Upon written demand for payment, the Company may either pay all principal and accrued interest on the Notes or return the Assets to the holder to fulfill all obligations.

The holder may convert the principal and accrued interest into shares of our common stock at $0.247386975 per share up to a maximum conversion allowance of 4,648,588. If we raise $5 million in debt or equity financing or if the holder converts any portion of Note B, then the Note will shares automatically convert at maturity into a total of 4,648,588 shares of our common stock.

Precious Investments, Inc.
Notes to Condensed Consolidated Interim Financial Statements (unaudited)
April 30, 2016

The Company may prepay all of the outstanding principal and accrued interest under Note C, provided that we also prepay all of the outstanding principal and accrued interest of Note B. Note C is secured by $1,150,000 worth of the Assets.

Also, as provided in the Agreement, our former officer and director, Natalya Hearn, agreed to transfer her 250,000 shares of Series A Preferred Stock to Khan. Under the Agreement, these shares of Series A Preferred Stock will cancel and return to our treasury upon Khan converting the Notes into 51% of the Company issued and outstanding common stock. Also, if Kahn demands payment of the Notes, then the shares of Series A Preferred Stock will cancel and return to our treasury.

The Company also agreed to appoint two nominees of Khan to our board of directors and to register 7,500,000 shares of common stock converted from existing notes along with remaining shares of common stock underlying convertible notes. The Notes in favor of Khan do not have registration rights.

The Company has determined that the asset acquired did not meet the definition of a business as defined in ASC 805 and as such the transaction was treated as an asset acquisition and the diamonds are shown on the Company's condensed consolidated interim balance sheet as inventory.

In measuring the Notes, it was determined that they contained a beneficial conversion feature, which upon measurement resulted in the full amount of the proceeds being allocated entirely to the beneficial conversion feature.

Additional Diamond Purchase Agreements

During the three months ended April 30, 2016, the Company entered into various additional Diamond Purchase Agreements to purchase diamond assets consisting of various colored diamonds for 2,303,090 shares of common stock. The shares have not been issued as of April 30, 2016 and as such none of the purchase agreements have closed; however, subsequent to period end 414,250 shares were issued related to these agreements, the remaining agreements are still outstanding.

NOTE 9 – STOCKHOLDERS' EQUITY

On September 18, 2015, the Company issued 1,000 units consisting of one share and one warrant of stock for $2,000 cash.

During the nine months ended April 30 2016, the Company issued 335,860 shares of common stock for $33,586 cash.

During the nine months ended April 30, 2016, the Company issued 750,000 shares valued at $1,800 for the conversion of a convertible note payable dated November 1, 2013.

During the nine months ended April 30, 2016, the Company issued 1,000,000 shares valued at $2,790,000 for services. The shares were returned during the three months ended April 30, 2016 and are being held in treasury (Note 3).

During the nine months ended April 30, 2016, the Company issued 500,000 shares valued at $1,490,000 for services.

Precious Investments, Inc.
Notes to Condensed Consolidated Interim Financial Statements (unaudited)
April 30, 2016

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Litigations, Claims and Assessments

The Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise that may harm its business. The Company is currently not aware of any such legal proceedings or claims that they believe will have, individually or in the aggregate, a material adverse effect on its business, financial condition or operating results.

NOTE 11 – SUBSEQUENT EVENTS

On April 25, 2016, the Company signed an Acquisition of Shares Agreement (the "Agreement") with Karrah Inc., an Ontario corporation ("Karrah"), and the sole shareholder of Karrah, Farrah Khan, who is the wife of our director, Kashif Khan. Pursuant to the Agreement, the Company acquired all of the issued and outstanding shares of stock in Karrah, resulting in a parent subsidiary relationship. In consideration for the acquisition of Karrah, the Company issued to Farrah Khan two three year promissory notes totaling $1,793,276 with interest at 6% per annum. Interest will be payable at maturity or from time to time at the Company's sole discretion. The Company has the right to prepay the Notes. The Note will be secured by all the assets of Karrah.

Karrah has been successful in buying liquidation and closeout merchandise and supplying the same to retailers, auctioneer and collectors in Toronto and Vancouver, Canada. We plan to scale the business by funding the acquisition of more merchandise in order to do the same business in the United States auction houses and retailers. We intend to be a manufacturer and wholesaler of fine jewelry, a wholesaler of fine pre-owned vintage watches and buyer of jewelry, watches and diamonds via liquidations, bankruptcies and estate sales. Karrah has developed relationships with brokers and agents involved in liquidation and bankruptcy for closeout merchandise. In addition, Karrah has also developed manufacturing tactics that allow it to customize Swiss watches with diamonds and gems enhancing their value. We plan to build upon these two strengths to grow our company.

As of the date of this filing the initial accounting for the business combination is incomplete, and as such the Company has omitted the revenue and earnings of Karrah and the supplemental pro forma as required by ASC 805. Once the accounting is completed, Karrah will undergo an audit as required by SEC rules and regulations.

The acquisition agreement was consummated and it closed on May 1, 2016. The Company has not received the completed financial information from Karrah, and as such has omitted the required pro forma financial statement disclosure from this note as required by ASC 805. Once the financial information is completed, Karrah will undergo an audit as required by SEC rules and regulations.

In addition to the Diamond Purchase Agreements signed during the period (Note 8), Subsequent to year end, the board of directors authorized the issuance of 1,537,410 shares of common stock related to various additional Diamond Purchase Agreements with stated values of $4,093,276.

On May 5, 2016, the Company issued 414,250 shares of common stock related to various Diamond Purchase Agreements.

On June 7, 2016, we issued 3,255,749 shares of common stock related to various Diamond Purchase Agreements for colored diamonds with stated values of $8,248,722.

On May 16, 2016, the Company issued 450,000 shares of common stock in partial conversion of a certain note payable dated November 1, 2013

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements." These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Company Overview

We are in the business of purchasing and selling colored diamonds. We have completed an asset purchase agreement dated August 10, 2015 where we acquired from Kashif Khan, our director, colored diamonds with a wholesale value of US$4 Million, which he was in control of, in exchange for issuing three secured demand convertible promissory notes totaling US$4 Million. Since then, we have continued to acquire colored diamonds to build our inventory. On May 5, 2016, we issued 414,250 shares of common stock related to various Diamond Purchase Agreements for colored diamonds with stated values of $828,500. On June 7, 2016, we issued 3,255,749 shares of common stock related to various Diamond Purchase Agreements for colored diamonds with stated values of $8,248,722.

On April 25, 2016, we signed an Acquisition of Shares Agreement (the "Agreement") with Karrah Inc., an Ontario corporation ("Karrah"), and the sole shareholder of Karrah, Farrah Khan, who is the wife of our director, Kashif Khan. Pursuant to the Agreement, we acquired all of the issued and outstanding shares of stock in Karrah, resulting in a parent subsidiary relationship. In consideration for the acquisition of Karrah, we issued to Farrah Khan two three year promissory notes totaling $1,793,276 with interest at 6% per annum. Interest will be payable at maturity or from time to time at our sole discretion. We have the right to prepay the Notes. The Note will be secured by all the assets of Karrah.

We plan to manage a portfolio of rare colored diamonds that are selected for price potential. Karrah has been successful in buying liquidation and closeout merchandise and supplying the same to retailers, auctioneer and collectors in Toronto and Vancouver, Canada. We plan to scale the business by funding the acquisition of more merchandise in order to do the same business in the United States auction houses and retailers. We intend to be a manufacturer and wholesaler of fine jewelry, a wholesaler of fine pre-owned vintage watches and buyer of jewelry, watches and diamonds via liquidations, bankruptcies and estate sales. Karrah has developed relationships with brokers and agents involved in liquidation and bankruptcy for closeout merchandise. In addition, Karrah has also developed manufacturing tactics that allow it to customize Swiss watches with diamonds and gems enhancing their value. We plan to build upon these two strengths to grow our company.

We recently conducted a small offering and raised roughly US$30,000. We will need to raise US$10 million in the issuance of securities in order to grow our business. Upon securing funds, we plan to execute on a 12-month business strategy, which we hope will see a positive cash flow in the years to follow.

Our fiscal year end is July 31. Our principal offices are located at 1101 – 21 Dundas Square Toronto, Canada M5B 1B7. Our phone number is 416-878-3377.

Results of Operation for Three Months Ended April 30, 2016 and 2015

Revenues

We have generated no revenues since our inception. We do not expect to achieve revenues until we implement our colored diamond business.

Operating Expenses

Operating expenses increased to $1,511,709 for the three months ended April 30, 2016 from $16,377 for the three months ended April 30, 2015. Our operating expenses for the three months ended April 30, 2016 consisted of $1,506,555 in professional fees, largely a result of 500,000 shares of commons stock valued at $1,490,000 that we issued to our prior officer and director, Nataliya Hearn, under her employment agreement, along with general and administrative expenses of $5,154. Our expenses for the three months ended April 30, 2015 consisted of selling, general and administrative expenses, which included accounting and auditing fees of $12,025, filing fees of $3,043 and legal fees of $1,309.

Operating expenses increased to $2,253,432 for the nine months ended April 30, 2016 from $98,824 for the nine months ended April 30, 2015. Our operating expenses for the nine months ended April 30, 2016 consisted of professional fees of $2,235,052, consisting largely of Dr. Hearn's shares, as stated above, and shares issued under a Memorandum of Understanding dated October 1, 2015 that were returned, along with general and administrative expenses of $18,380. Our expenses for the nine months ended April 30, 2015 consisted of accounting and auditing fees of $66,187, legal fees of $26,805 and SEC filing fees of $5,505.

We expect that our operating expenses will increase as we undertake our plan of operations, as outlined above.

Other Expenses

We had other expenses of $81,703 for the three months ended April 30, 2016, compared with other expenses of $5,431 for the three months ended April 30, 2015. We had other expenses of $843,871 for the nine months ended April 30, 2016, compared with other expenses of $14,777 for the nine months ended April 30, 2015. Other expenses for the three months ended April 30, 2016 consisted of interest expense of $389,203, offset by a gain on the sale of subsidiary of $307,500. Other expenses for the nine months ended April 30, 2016 consisted of interest expense of $1,151,371 offset by a gain of the sale of subsidiary of $307,500. In comparison, our other expenses for the three and nine months ended April 30, 2015 consisted entirely of interest expense.

Net Loss

Net loss for the three months ended April 30, 2016 was $1,593,412 compared to net loss of $21,808 for the three months ended April 30, 2015. Net loss for the nine months ended April 30, 2016 was $3,097,303 compared to net loss of $113,601 for the nine months ended April 30, 2015.

Liquidity and Capital Resources

As of April 30, 2016, we had current assets of $4,000,250 consisting of our colored diamond inventory. Our total current liabilities as of April 30, 2016 were $1,706,050. We therefore had working capital of $2,294,200 as of April 30, 2016.

Operating activities used $53,736 in cash for the nine months ended April 30, 2016, as compared with $0 for the same period ended 2015. Our net loss of $3,097,303 was the main component of our negative operating cash flow, offset mainly by shares issued for services of $2,187,500, amortization of debt discount of $967,317, and a gain on the sale of subsidiary of $307,500.

As outlined above, we will need to raise US$10 million in the issuance of securities in order to grow our business. We intend to fund operations through increased sales and debt and/or equity financing arrangements, which may be insufficient to fund expenditures or other cash requirements. We plan to seek additional financing in a private equity offering to secure funding for operations. There can be no assurance that we will be successful in raising additional funding. If we are not able to secure additional funding, the implementation of our business plan will be impaired. There can be no assurance that such additional financing will be available to us on acceptable terms or at all.

Off Balance Sheet Arrangements

As of April 30, 2016, there were no off balance sheet arrangements.

Critical Accounting Policies

In December 2001, the SEC requested that all registrants list their most "critical accounting polices" in the Management Discussion and Analysis. The SEC indicated that a "critical accounting policy" is one which is both important to the portrayal of a company's financial condition and results, and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Going Concern

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As of April 30, 2016, we have an accumulated deficit of $4,908,648. Our ability to continue as a going concern is contingent upon the successful completion of additional financing arrangements and our ability to achieve and maintain profitable operations. While we are expanding our best efforts to achieve the above plans, there is no assurance that any such activity will generate funds that will be available for operations. These conditions raise substantial doubt about our ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

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 the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value of financial instruments

Our financial instruments consist of liabilities. The carrying amount of payables approximates fair value because of the short-term nature of these items. The carrying amount of long-term debt approximates fair value due to the relationship between the interest rate on long-term debt and our incremental risk adjusted borrowing rate.

Inventories

Inventory consist of loose colored diamond acquired during the period (See Note 7) and is stated at the lower of cost or net realizable value. The Company writes-down inventory once it has been determined that conditions exist that may not allow the inventory to be sold for its intended purpose or the inventory is determined to be excess or obsolete based on our forecasted future sales. The charge related to inventory write-downs is recorded as a cost of revenue.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We conducted an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of April 30, 2016, to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities Exchange Commission's rules and forms, including to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of April 30, 2016, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses identified and described below.

Our principal executive officers do not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our principal executive officers have determined that our disclosure controls and procedures are effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Remediation Plan to Address the Material Weaknesses in Internal Control over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Management identified the following three material weaknesses that have caused management to conclude that, as of April 30, 2016, our disclosure controls and procedures, and our internal control over financial reporting, were not effective at the reasonable assurance level:

1. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act as of the period ending April 30, 2016. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

2. We do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

3. Effective controls over the control environment were not maintained. Specifically, a formally adopted written code of business conduct and ethics that governs our employees, officers, and directors was not in place. Additionally, management has not developed and effectively communicated to employees its accounting policies and procedures. This has resulted in inconsistent practices. Further, our Board of Directors does not currently have any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.

To address these material weaknesses, management performed additional analyses and other procedures to ensure that the financial statements included herein fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented. Accordingly, we believe that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

To remediate the material weakness in our documentation, evaluation and testing of internal controls we plan to engage a third-party firm to assist us in remedying this material weakness once resources become available.

We intend to remedy our material weakness with regard to insufficient segregation of duties by hiring additional employees in order to segregate duties in a manner that establishes effective internal controls once resources become available.

Changes in Internal Control over Financial Reporting

No change in our system of internal control over financial reporting occurred during the period covered by this report, the period ended April 30, 2016, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The information set forth below relates to our issuances of securities without registration under the Securities Act of 1933 during the reporting period which were not previously included in a Quarterly Report on Form 10-Q.

During the nine months ended April 30, 2016, we issued 750,000 shares valued at $1,800 for the partial conversion of a convertible note payable dated November 1, 2013.

On May 16, 2016, we issued 450,000 shares of common stock for the partial conversion of a convertible note payable dated November 1, 2013.

On May 5, 2016, we issued 414,250 shares of common stock related to various Diamond Purchase Agreements for colored diamonds with stated values of $828,500.

On June 7, 2016, we issued 3,255,749 shares of common stock related to various Diamond Purchase Agreements for colored diamonds with stated values of $8,248,722.

These securities were issued pursuant to Section 4(2) of the Securities Act and/or Rule 506 promulgated thereunder. The holders represented their intention to acquire the securities for investment only and not with a view towards distribution. The investors were given adequate information about us to make an informed investment decision. We did not engage in any general solicitation or advertising. We directed our transfer agent to issue the stock certificates with the appropriate restrictive legend affixed to the restricted stock.

Item 3. Defaults upon Senior Securities

None

Item 4. Mine Safety Disclosures

N/A

Item 5. Other Information

None

Item 6. Exhibits

Exhibit Number	Description of Exhibit
31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101**	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 2016 formatted in Extensible Business Reporting Language (XBRL).

**Provided herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Precious Investments, Inc.
Date:	June ,20 2016
By:	/s/ Kashif Khan Kashif Khan
Title:	President, Chief Executive Officer, and Director