Transnational Group, Inc. and Subsidiary

Quarterly Report

August 31, 2015

Transnational Group Inc. and Subsidiary
(formerly Transnational Automotive Inc)
Consolidated Balance Sheet
August 31, 2015 and 2014
(internally prepared and unaudited)

		August 31, 2015	August 31, 2014
Assets			
Cash		$ 161,038	$ 23,387
Trade and other receivables		44,048	
Advance on Acquisition		150,000	
Prepaid Expenses - Claims		13,212	
Mining Equipment		18,050	
Mining Equipment awaiting shipment		900,000	
TOTAL ASSETS		**1,286,348**	**$ 23,387**
Liabilities and Stockholders' Equity/(Deficit)			
Liabilities			
Loans and advances from Stockholders		$ 440,900	$ 277,900
Accrued liabilities		6,027	
Payables to stockholders including interest		347,343	304,768
Total Liabilities		**$ 794,270**	**$ 582,668**
Stockholders' Equity/(Deficit)			
Preferred Stock - $.001 par value			
100,000,000 shares authorized - none issued			
Common Stock - $.001 par value			
200,000,000 shares authorized			
Issued and outstanding:	38,060,508 shares at Aug 31, 2015	89,552	
	32,960,508 shares at Aug 31, 2014		84,452
Additional Paid in Capital		17,313,896	16,187,746
Accumulated Deficit		(16,735,900)	(16,656,009)
Foreign Currency Loss		(175,470)	(175,470)
Total Stockholders' Equity/(Deficit)		492,078	(559,281)
Total Liabilities and Stockholders' Equity/(Deficit)		**$ 1,286,348**	**$ 23,387**

The accompanying notes are an integral part of these consolidated financial statements.

Transnational Group Inc. and Subsidiary
(formerly Transnational Automotive Inc)
Consolidated Statement of Income/(loss)
For the Three Months Ended August 31, 2015 and 2014
(internally prepared and unaudited)

	3 months ended August 31, 2015	3 months ended August 31, 2014
Revenues	$ 36,000	$ -
Cost of Production	48,292	
Project Acquisition and Development Costs		
General and administrative expenses	79,874	41,451
Other income		
Interest Expense	6,027	9,279
Income (loss) before taxes	(98,193)	(50,730)
Income tax provision		
Net (loss)	**$ (98,193)**	**$ (50,730)**

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Transnational Group Inc. and Subsidiary
(formerly Transnational Automotive Inc)
Consolidated Statement of Income/(loss)
For the Six Months Ended August 31, 2015 and 2014
(internally prepared and unaudited)

	6 months ended August 31, 2015	6 months ended August 31, 2014
Revenues	$ 36,000	$ -
Cost of Production	48,292	
Project Acquisition and Development Costs	13,998	
General and administrative expenses	94,361	85,253
Other income		
Interest Expense	17,954	18,391
Income (loss) before taxes	(138,605)	(103,644)
Income tax provision		
Net (loss)	**$ (138,605)**	**$ (103,644)**

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Transnational Group Inc. and Subsidiary
(formerly Transnational Automotive Inc)
Consolidated Statement of Stockholders' Deficit
For the three months and six months ended August 31, 2014 and August 31, 2015
(internally prepared and unaudited)

Three months ended August 31, 2014

	Shares	Amount	Additional Paid-in capital	Accumulated Deficit	Comprehensive Loss
Balance, June 1, 2014	31,940,508	$ 83,252	$ 16,168,846	$ (16,605,279)	$ (175,470)
shares issued for services	20,000	200	19,800		
shares issued upon note conversion	1,000,000	1,000	(900)		
net (loss)				(50,730)	
Balance, August 31, 2014	**32,960,508**	**$ 84,452**	**$ 16,187,746**	**$ (16,656,009)**	**$ (175,470)**

Three months ended August 31, 2015

	Shares	Amount	Additional Paid-in capital	Accumulated Deficit	Comprehensive Loss
Balance, June 1, 2015	32,960,508	$ 84,452	$ 16,187,746	$ (16,637,707)	$ (175,470)
sale of shares to investors	5,100,000	5,100	1,126,150		
net (loss)				(98,193)	
Balance, August 31, 2015	**38,060,508**	**$ 89,552**	**$ 17,313,896**	**$ (16,735,900)**	**$ (175,470)**

The accompanying notes are an integral part of these consolidated financial statements.

Transnational Group Inc. and Subsidiary
(formerly Transnational Automotive Inc)
Consolidated Statement of Stockholders' Deficit
For the three months and six months ended August 31, 2014 and August 31, 2015
(internally prepared and unaudited)

Six months ended August 31, 2014

	Shares	Amount	Additional Paid-in capital	Accumulated Deficit	Comprehensive Loss
Balance, March 1, 2014	31,700,508	$ 54,812	$ 16,137,286	$ (16,605,279)	$ (175,470)
shares purchased by investors	240,000	28,440	31,560		
shares issued for services	20,000	200	19,800		
shares issued upon note conversion	1,000,000	1,000	(900)		
net (loss)				(50,730)	
Balance, August 31, 2014	**32,960,508**	**$ 84,452**	**$ 16,187,746**	**$ (16,656,009)**	**$ (175,470)**

Six months ended August 31, 2015

	Shares	Amount	Additional Paid-in capital	Accumulated Deficit	Comprehensive Loss
Balance, March 1, 2015	32,960,508	$ 84,452	$ 16,187,746	$ (16,597,295)	$ (175,470)
sale of shares to investors	5,100,000	5,100	1,126,150		
net (loss)				(138,605)	
Balance, August 31, 2015	**38,060,508**	**$ 89,552**	**$ 17,313,896**	**$ (16,735,900)**	**$ (175,470)**

The accompanying notes are an integral part of these consolidated financial statements.

Transnational Group Inc. and Subsidiary
(formerly Transnational Automotive Inc)
Consolidated Statement of Cash Flows
For the three months ended August 31, 2015 and 2014
(internally prepared and unaudited)

	three months ended	
	August 31, 2015	**August 31, 2014**
Cash flows from operating activities		
Net (loss)	$ (98,193)	$ (50,730)
Adjustment to reconcile net income/(loss)		
to cash provided by (used in) operating activities		
Shares issued for services		$ 20,000
Change in operating assets and liabilities		
acccount receivable	(44,048)	
prepaid expenses - claims	(13,212)	
accrued liabilities	6,027	
Net cash provided (used in) operating activities	$ (149,426)	$ (30,730)
Cash flows from financing activities		
purchase of mining equipment	(918,050)	
Increase/(decrease) in loans from shareholders, net of conversions		
Increase/(decrease) in loans and payables to stockholders	30,268	(100)
Changes in payables to shareholders		9,279
Capital stock issued for cash	231,250	
Conversion of shareholder debt to capital stock		100
Capital stock issued for equipment	900,000	
Net cash from financing activities	243,468	9,279
Net increase/(decrease) in cash	$ 94,042	$ (21,451)
cash balance, beginning of period	66,996	44,838
CASH BALANCE, END OF PERIOD	**$ 161,038**	**$ 23,387**

The accompanying notes are an integral part of these consolidated financial statements.

Transnational Group Inc. and Subsidiary
(formerly Transnational Automotive Inc)
Consolidated Statement of Cash Flows
For the six months ended August 31, 2015 and 2014
(internally prepared and unaudited)

	six months ended	
	August 31, 2015	**August 31, 2014**
Cash flows from operating activities		
Net (loss)	$ (138,605)	$ (103,644)
Adjustment to reconcile net income/(loss)		
to cash provided by (used in) operating activities		
Shares issued for services		20,000
Change in operating assets and liabilities		
acccount receivable	$ (44,048)	
prepaid expenses - claims	(13,212)	
accrued liabilities	6,027	
Net cash provided (used in) operating activities	$ (189,838)	$ (83,644)
Cash flows from financing activities		
Increase/(decrease) in loans from stockholders, net of conversions		9,900
purchase of mining equipment	(918,050)	
Increase/(decrease) in loans and payables to stockholders	42,195	18,391
Conversion of stockholder debt to capital stock		100
Capital stock issued for equipment	900,000	
Capital stock issued for cash	231,250	60,000
Net cash from financing activities	255,395	88,391
Net increase/(decrease) in cash	$ 65,557	$ 4,747
cash balance, beginning of period	95,481	18,640
CASH BALANCE, END OF PERIOD	**$ 161,038**	**$ 23,387**

The accompanying notes are an integral part of these consolidated financial statements.

Transnational Group Inc. and Subsidiary
(previously Transnational Automotive Group, Inc.)
Notes to consolidated financial statements
August 31, 2015
(internally prepared and unaudited)

General

The accompanying financial statements have been prepared from the books and records of the Company. Although not subject to independent review and audit, in the opinion of management, the financials reflect all adjustments known to management necessary to fairly reflect the results of operations and financial position of the Company for the periods presented.

Consolidation

The reported results include that of the Company and its wholly-owned subsidiary, TAMG Minerals, Inc. Any significant intercompany transactions have been eliminated in consolidation. The Company commenced reporting for the period ended November 30, 2013.

Name Change

In January, 2014, the Company changed its name from Transnational Automotive Group, Inc. to Transnational Group, Inc. Management believes that the changed name more accurately reflects the present business of the Company.

Description of Business

Previously operating as Transnational Automotive Group Inc, the Company and its subsidiaries were engaged in the development and operation of mass public transportation in Cameroon Africa. The Company sustained substantial losses which in the wake of the financial crisis of 2008 could no longer be funded. Operations were abandoned or taken over by the host country due to difficulties with local financing and with local management. All assets on the Company's balance sheet as of the reporting date of November 30, 2008, the last reporting date prior to 2013, were taken over by the host country, the local management or were lost.

Most liabilities reported on the November 30, 2008 balance sheet became unenforceable obligations as a result of the expiration on enforceability under the various statutes of limitations.

Liabilities reported on the accompanying financial statements include loans and advances from shareholders directly to the Company or for expenditures made by shareholders, mostly for legal fees, in connection with lawsuits and other past business activities of the Company. The Company's Board of Directors has agreed to reimburse the shareholders for these expenditures.

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The Company resumed operations in late 2013 under new management. In June, 2015, the TAMG Minerals Inc., a wholly-owned subsidiary of the Company signed a binding letter of intent to operate a decorative rock quarry. Operations at the quarry commenced in July 2015. Results of the operations of that activity are included in the attached financial statements.

Notes Payable and Shareholder Advances

In 2008, the Company borrowed $150,000 from a shareholder through a promissory note with annual interest payments at 10%. Required interest payments were not made. In 2013, the note was amended and the maturity date was extended to September 2016. In addition, the Company granted conversion rights to the shareholder at $.0001 per share. Conversion rights are subject to the approval of the Board of Directors and other conditions and limitations. In November, 2013, the Board approved the conversion of $270 of unpaid interest into 2.7 million shares of stock.

Beginning in 2008, shareholders advanced funds to the Company directly or paid expenses of the Company, principally legal fees, in connection with lawsuits in which the Company was a party, and to fund operations.

In June, 2012, $85,000, representing a portion of the above advances from a shareholder, was converted to a promissory note due in June 2016, bearing annual simple interest of 10%. A portion of the note and accrued interest may be convertible into shares of the Company's stock at $.0001 per share, subject to the approval of the Board of Directors and other conditions and limitations. Under the terms of the note agreement, the noteholders must give the Company 60 days' notice of their intent to convert the note to stock. In addition, there are restrictions on the number of shares available for conversion. Upon receiving notice, the Company can either prepay the note within the 60 day notice period or allow the conversion to occur subject to those restrictions and limitations. No interest has been paid on these notes since their issuance. In November of 2013, shareholders elected to convert accrued interest of $810 for 8,100,000 shares of stock.

In December, 2013, the Board of Directors authorized the issuance of a promissory note for the balance of these advances not already covered by the $85,000 note issued in June of 2012 (see above). The note and advances will bear interest at an annual interest rate of 10% per annum simple interest, retroactive to the date of the advance.

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The Company is indebted to the various shareholders for $764,001 as of August 31, 2015 which includes $ of interest and advanced expenses not yet formally converted into a note. No interest was paid in the three months ended August 31, 2015 nor at any other time.

In September, 2014, the Board of Directors approved the designation of 10,000 shares of preferred stock as Series A Preferred stock, the holders of which have 1000 times the votes of each share of common stock. No shares of the Series A Preferred stock have been issued.

In September, 2014, the Board ratified the conversion of advances from a shareholder to a promissory note at 10% interest due in September 2015 in the amount of $135,000.

Equity Transactions

In January, 2012, the Company declared a reverse 300-to-one stock split, reducing the number of shares outstanding.

The Company had 15,692,273 warrants outstanding to purchase its common stock as of February 29, 2008. The warrants had a weighted average exercise price of $1.50. No warrants were exercised, and all expired by 2012.

In November and December, 2013, the Company entered consulting contracts with certain shareholders, board members and managers, issuing 20,533,600 shares in compensation.

In November, 2013, certain shareholders who were also noteholders of the Company exercised their conversion rights to convert $1,080 of accrued interest into shares of the Company's common stock. 10,800,000 shares were issued to those noteholders upon that conversion.

In November, 2013, the Company issued options to purchase 4.5 million shares of its common stock exercisable over three years at $.01 per share to certain managers, directors and shareholders. The options vest in successive anniversary dates of the grants over 3 years – 40% at the end of the first anniversary year; 30% at the end of the second anniversary year; 30% at the end of the third anniversary year. 2 million of the above options have been recalled, revoked or forfeited. Thus, such options cannot be exercise to be turned into shares

As of August 31, 2015 1 million of the options were exercisable.

In June of 2014, the Company issued 1 million shares of unrestricted common stock to a holder of an interest in a convertible note previously issued by the Company. The shares were issued in a partial conversion of $100 of principal of the note.

In July, 2014, the company issued 20,000 shares of restricted common stock to a provider of services to the company. The services were value at $10,000.

In September, 2014, the Board of Directors approved the designation of 10,000 shares of preferred stock as Series A Preferred stock, the holders of which have 1000 times the votes of each share of common stock. No shares of the Series A Preferred stock have been issued.

In September, 2014, the Company borrowed $135,000 from a shareholder issuing a promissory note at 1% monthly interest. Principal and interest are due in September 2015.

In June and August of 2015, the Company sold 100,000 shares of restricted common shares in a private placement to an individual at $.3125 per share. A finder's fee was paid in connection with this transaction.

In August of 2015, the Company issued 5 million shares of restricted common stock to Exa Resources LLC for $200,000 in cash and $900,000 in mining equipment to be delivered to one of its operations. A finder's fee was paid in connection with the cash portion of this transaction. An additional finder's fee will be due upon delivery and installation of the equipment. As part of the agreement, Exa acquired options to purchase up to 4 million shares at $.45 per share.

Commitments and Contingencies

Prior to 2012, the Company was involved in several lawsuits over various aspects of its operations. Those lawsuits have all been settled or resolved.

The Company is actively involved in negotiations with several other parties to acquire interests in natural resource properties and in other business activities. Certain of these negotiations have included issuance of letters of intent which, when conditions are met, would require the Company to fund the activities of these ventures. Such funding would require the raising of additional capital by the Company. It cannot be ascertained whether any of these negotiations will be successful.

In May, 2015 the Company and a shareholder filed a lawsuit against another Company and three individuals for breach of contract and other actions relating to money advanced in connection with mining claims being acquired by the Company. The Company is seeking recovery of the advance, fees and other damages. While the Company expects to prevail, a shareholder has guaranteed that the Company will be held harmless in the event the advance is not recovered. The case is in its early stages of development.

In connection with the acquisition of operating rights in the quarry mine, the Company is obligated to pay minimum annual royalties of $60,000 to the mine owner. The royalties are payable in equal monthly installments for 10 years. The Company has options to renew the agreement under the same terms and conditions for two additional five year periods.

A former attorney of the Company has threatened a lawsuit based upon the denial by the Company of the former attorney's demand to be allowed to exercise certain stock options which were authorized for issuance in 2013 but never issued. The options were to have been issued in exchange for the attorney's provision of certain future services to the Company. Company management believes that the future services which had been agreed to were never provided and that no option was ever issued. Additionally, a former shareholder is making a claim for options which were to have been earned in exchange for future services. However, no services were ever performed and no option was ever issued. The Company is reviewing the situation, but at this time, the Company intends to contest both claims vigorously.

Income Taxes

Prior to reactivation in 2013, the Company had last filed income tax returns for the year ended February 29, 2008. Since reactivation, the Company has filed the delinquent returns for all years.

Acquisitions

In June, 2015 the Company's subsidiary signed a binding letter of intent with the owners of Marble Mountain, Inc, a mine in Utah wherein the Company would assume operations of the mine in return for guaranteed minimum royalty payments based on the results of the mine operations. In July, 2015, the Company commenced operations of the mine. The letter of intent provides the Company with a right to terminate the agreement within the initial 90 days.