# SIDNEY RESOURCES CORPORATION

(An Exploration Stage Company)

Compiled Financial Statements

For the Periods Ended
December 31, 2015 and December 31, 2014

Prepared By
Wm. Thomas Baker P.A.
Certified Public Accountant

Sidney Resources Corporation

(An Exploration Stage Company)

## Table of Contents


| | |
|---|---|
| Accountants Report | 1 |
| Balance Sheet | 2 |
| Statement of Income | 3 |
| Statement of Changes in Cash Flows | 4 |
| Statement of Changes in Shareholders' Equity | 5 |
| Notes of Financial Statements | 6 - 11 |

WTB
Wm. Thomas Baker, P.A.
Certified Public Accountant

"Personalized Professional Service"

To the Board of Directors
Sidney Resources Corporation
Lewiston, ID

Management is responsible for the accompanying financial statements of Sidney Resources Corporation (An Exploration Stage Company), which comprise the balance sheets as of December 31, 2015 and December 31, 2014 and the related statements of income for the three months and years ended December 31, 2015, and December 31, 2014 changes in stockholders' equity, and cash flows for the periods ended December 31, 2015 and 2014, and for the period beginning March 4, 2003 (inception) through December 31, 2015, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

I am not independent with respect to Sidney Resources Corporation.

Wm. Thomas Baker CPA
February 1, 2016

Member of:
Idaho Society of CPA's
American Institute of CPA's

Phone (208) 762-9737
Fax (208) 762-9438
Email tom@tombakercpa.com

8245 N. Cornerstone Dr.
Hayden, ID 83835

**Sidney Resources Corporation**
(An Exploration Stage Company)
BALANCE SHEETS
December 31, 2015 and December 31, 2014

| | 12/31/15 | 12/31/14 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS** | | |
| CASH | $ 1,426 | $ 35,796 |
| PREPAID EXPENSES | 48,000 | 60,000 |
| TOTAL CURRENT ASSETS | 49,426 | 95,796 |
| **FIXED ASSETS** | | |
| FIXED ASSETS | - | - |
| VEHICLES | - | - |
| ACCUM DEPRECIATION | - | - |
| TOTAL FIXED ASSETS | - | - |
| **OTHER ASSETS** | | |
| DEPOSITS | - | - |
| LEASE ACQUISITION COSTS | 281,050 | 281,050 |
| TOTAL OTHER ASSETS | 281,050 | 281,050 |
| **TOTAL ASSETS** | $ 330,476 | $ 376,846 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **CURRENT LIABILITIES** | | |
| ACCOUNTS PAYABLE | $ 41,645 | $ 32,427 |
| DEPOSITS | 20,600 | 20,600 |
| TOTAL CURRENT LIABILITIES | 62,245 | 53,027 |
| **STOCKHOLDERS' EQUITY** | | |
| REVENUE SHARING AGREEMENT | 125,000 | 105,000 |
| PREFERRED STOCK - .0001 par value, authorized 10,000,000 shares, none issued | - | - |
| COMMON STOCK - .0001 par value, 500,000,000 shares authorized, 106,116,830 and 106,116,830 shares issued and outstanding, respectively | 10,612 | 10,612 |
| PAID IN CAPITAL | 3,607,725 | 3,607,725 |
| DEFICIT ACCUMULATED DURING THE EXPLORATION PERIOD | (3,475,106) | (3,399,518) |
| TOTAL STOCKHOLDERS' EQUITY | 268,231 | 323,819 |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | $ 330,476 | $ 376,846 |

**See accountant's report and notes to financial statements**

# Sidney Resources Corporation

(An Exploration Stage Company)

INCOME STATEMENTS

For the three months and year ended December 31, 2015, 2014

and for the period beginning 3/4/2003 (Inception) through 12/31/15

| | Three Months Ended | | Year Ended | | Since |
|---|---|---|---|---|---|
| | 12/31/2015 | 12/31/2014 | 12/31/2015 | 12/31/2014 | Inception |
| **GROSS REVENUE** | $ - | $ - | $ - | $ - | $ - |
| **EXPENSES** | | | | | |
| ADVERTISING | $ - | $ - | $ 1,000 | $ - | $ - |
| CONSULTING FEES | - | - | - | 114,750 | - |
| EXPLORATION COSTS | - | - | - | - | 124,404 |
| AMORTIZATION LAND LEASE | 3,000 | - | 12,000 | - | - |
| FUEL | - | - | - | - | - |
| DEPRECIATION | - | - | - | - | 44,878 |
| LICENSES AND FEES | - | - | - | - | - |
| INTEREST AND FINANCE CHARGES | - | 118 | 118 | 472 | - |
| INSURANCE | - | - | - | - | - |
| LEGAL AND ACCOUNTING | 1,023 | 2,400 | 50,690 | 5,725 | - |
| DUES AND SUBSCRIPTIONS | - | - | - | - | - |
| PRINTING AND POSTAGE | - | 395 | - | 2,120 | - |
| OFFICE EXPENSES | 216 | 208 | 1,946 | 533 | - |
| RENT | - | - | 4,572 | - | - |
| REPAIRS | - | - | - | - | - |
| STORAGE | - | 4,244 | - | 4,960 | - |
| SUPPLIES | - | - | - | - | - |
| SURVEYOR | - | - | - | - | - |
| TAXES | - | - | - | 21 | - |
| TELEPHONE | - | - | - | - | - |
| TRANSFER FEES | - | 4,700 | - | 7,184 | - |
| TRAVEL | - | - | 5,262 | - | - |
| UTILITIES | - | - | - | 194 | - |
| ADMINISTRATIVE COSTS | - | - | - | - | 4,101,749 |
| TOTAL EXPENSES | 4,239 | 12,065 | 75,588 | 135,959 | 4,271,031 |
| NET LOSS BEFORE OTHER INCOME | (4,239) | (12,065) | (75,588) | (135,959) | (4,271,031) |
| **OTHER INCOME (EXPENSES)** | | | | | |
| RELIEF OF DEBT | - | - | - | - | 795,169 |
| GAIN (LOSS) ON SALE OF ASSETS | - | - | - | 1,200 | 756 |
| **NET (LOSS) INCOME** | $ (4,239) | $ (12,065) | $ (75,588) | $ (134,759) | $ (3,475,106) |

**See accountant's report and notes to financial statements**

# Sidney Resources Corporation

(An Exploration Stage Company)

STATEMENT OF CASH FLOWS

For the periods ended December 31, 2015, December 31, 2014 and for the period beginning 3/4/2003 (Inception) through 12/31/15

| | Year Ended 12/31/15 | Year Ended 12/31/14 | Since Inception |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Net Income (Loss)** | $ (75,588) | $ (134,759) | $ (3,475,106) |
| Adjustments to reconcile net income to net cash provided by operating activities | | | |
| Depreciation and amortization | - | - | 44,878 |
| Increase (decrease) in accounts payable | 9,218 | 6,197 | (11,319) |
| Increase (decrease) in accrued liabilities | - | - | - |
| (Increase) decrease in prepaid expenses | 12,000 | (60,000) | (48,000) |
| Increase (decrease) in deposits | - | (7,000) | 20,600 |
| Total Adjustments | 21,218 | (60,803) | 6,159 |
| Net cash provided (used) by operating activities | (54,370) | (195,562) | (3,468,947) |
| **Cash flow from investing activities** | | | |
| Purchase of lease acquisition costs | - | - | (281,050) |
| Gross proceeds on sale of equipment | - | - | 30,683 |
| Cash payments for the purchase of property | - | - | (22,597) |
| Net cash provided (used) by investing activities | - | - | (272,964) |
| **Cash flow from financing activities** | | | |
| Proceeds from issuance of common stock | - | 121,750 | 3,618,337 |
| Proceeds from revenue sharing agreement | 20,000 | 105,000 | 125,000 |
| Net cash provided (used) by financing activities | 20,000 | 226,750 | 3,743,337 |
| Net increase (decrease) in cash and equivalents | (34,370) | 31,188 | 1,426 |
| Cash and equivalents, beginning of year | 35,796 | 4,608 | - |
| **Cash and equivalents, end of year** | $ 1,426 | $ 35,796 | $ 1,426 |

| **Supplemental disclosures of cash flow information:** | **2015** | **2014** |
|---|---|---|
| Interest Expense | $ - | $ 472 |

**See accountant's report and notes to financial statements**

**SIDNEY RESOURCES CORPORATION**
(An Exploration Stage Company)
STATEMENT OF SHAREHOLDERS' EQUITY
For the Period Beginning March 4, 2003 (Inception) through December 31, 2015

| | Revenue Sharing Agreement | Preferred Stock Shares | Amount | Common Stock Shares | Amount | Additional Contributed Capital | Deficit Accumulated During Exploration Period | Total |
|---|---|---|---|---|---|---|---|---|
| March 4, 2003 Initial Captialization | - | - | $- | 8,000,000 | $8,000 | $2,292,322 | $ (2,353,286) | $ (52,964) |
| Quasi reorganization | - | - | - | - | - | (2,292,322) | 2,292,322 | - |
| Stock sales | - | - | - | 6,852,500 | 6,852 | 644,584 | - | 651,436 |
| Stock for services | - | - | - | 1,212,647 | 1,213 | 120,052 | - | 121,265 |
| Stock for Lease acquistion | - | - | - | 500,000 | 500 | 49,500 | - | 50,000 |
| Net loss for the period | - | - | - | - | - | - | (396,261) | (396,261) |
| **Balances at December 31, 2003** | - | - | - | 16,565,147 | 16,565 | 814,136 | (457,225) | 373,476 |
| Stock sales | - | - | - | 785,000 | 785 | 97,290 | - | 98,075 |
| Stock for services | - | - | - | 2,514,000 | 2,514 | 213,886 | - | 216,400 |
| Stock for equipment | - | - | - | 93,750 | 94 | 9,281 | - | 9,375 |
| Stock warrants exercised | - | - | - | 400,000 | 400 | 99,600 | - | 100,000 |
| Net loss for the year | - | - | - | - | - | - | (558,876) | (558,876) |
| **Balance at December 31, 2004** | - | - | - | 20,357,897 | 20,358 | 1,234,193 | (1,016,101) | 238,450 |
| Stock sales | - | - | - | 8,550,000 | 8,550 | 408,950 | - | 417,500 |
| Stock for services | - | - | - | 1,750,000 | 1,750 | 173,250 | - | 175,000 |
| Net loss for the year | - | - | - | - | - | - | (516,401) | (516,401) |
| **Balance at December 31, 2005** | - | - | - | 30,657,897 | 30,658 | 1,816,393 | (1,532,502) | 314,549 |
| Stock sales | - | - | - | 1,420,220 | 1,420 | 69,580 | - | 71,000 |
| Stock for services | - | - | - | 660,000 | 660 | 32,340 | - | 33,000 |
| Net loss for the year | - | - | - | - | - | - | (250,394) | (250,394) |
| **Balance at December 31, 2006** | - | - | - | 32,738,117 | 32,738 | 1,918,313 | (1,782,896) | 168,155 |
| Stock sales | - | - | - | 2,353,216 | 2,353 | 110,337 | - | 112,690 |
| Stock for services | - | - | - | 12,109,000 | 12,109 | 593,341 | - | 605,450 |
| Net loss for the year | - | - | - | - | - | - | (764,334) | (764,334) |
| **Balances at December 31, 2007** | - | - | - | 47,200,333 | 47,200 | 2,621,991 | (2,547,230) | 121,961 |
| Stock sales | - | - | - | 2,010,800 | 2,011 | 55,584 | - | 57,595 |
| Stock for services | - | - | - | 7,823,000 | 7,823 | 226,867 | - | 234,690 |
| Stock for supplies | - | - | - | 275,000 | 275 | 7,975 | - | 8,250 |
| Net loss for the year | - | - | - | - | - | - | (425,014) | (425,014) |
| **Balance at December 31, 2008** | - | - | - | 57,309,133 | 57,309 | 2,912,417 | (2,972,244) | (2,518) |
| Stock sales | - | - | - | 2,710,000 | 2,710 | 34,128 | - | 36,838 |
| Stock for services | - | - | - | 4,440,000 | 4,440 | 173,160 | - | 177,600 |
| Change of Domicile/par value | - | - | - | - | (58,013) | 58,013 | - | - |
| Net loss for the year | - | - | - | - | - | - | (541,972) | (541,972) |
| **Balance at December 31, 2009** | - | - | - | 64,459,133 | 6,446 | 3,177,718 | (3,514,216) | (330,052) |
| Stock sales | - | - | - | 2,862,500 | 286 | 52,014 | - | 52,300 |
| Stock for services | - | - | - | - | - | - | - | - |
| Net loss for the year | - | - | - | - | - | - | (161,122) | (161,122) |
| **Balance at December 31, 2010** | - | - | - | 67,321,633 | 6,732 | 3,229,732 | (3,675,338) | (438,874) |
| Stock sales | - | - | - | 14,995,197 | 1,500 | 72,623 | - | 74,123 |
| Stock for services | - | - | - | 9,000,000 | 900 | 179,100 | - | 180,000 |
| Net loss for the year | - | - | - | - | - | - | (335,842) | (335,842) |
| **Balance at December 31, 2011** | - | - | - | 91,316,830 | 9,132 | 3,481,455 | (4,011,180) | (520,593) |
| Stock sales | - | - | - | - | - | - | - | - |
| Stock for services | - | - | - | - | - | - | - | - |
| Net loss for the year | - | - | - | - | - | - | (34,086) | (34,086) |
| **Balance at December 31, 2012** | - | - | - | 91,316,830 | 9,132 | 3,481,455 | (4,045,266) | (554,679) |
| Stock sales | - | - | - | 600,000 | 60 | 5,940 | - | 6,000 |
| Stock for services | - | - | - | - | - | - | - | - |
| Net gain for the year | - | - | - | - | - | - | 780,507 | 780,507 |
| **Balance at December 31, 2013** | - | - | - | 91,916,830 | 9,192 | 3,487,395 | (3,264,759) | 231,828 |
| Revenue Sharing | $ 105,000 | - | - | - | - | - | - | 105,000 |
| Stock sales | - | - | - | 700,000 | 70 | 6,930 | - | 7,000 |
| Stock for services | - | - | - | 13,500,000 | 1,350 | 113,400 | - | 114,750 |
| Net Loss for the year | - | - | - | - | - | - | (134,759) | (134,759) |
| **Balance at December 31, 2014** | 105,000 | - | - | 106,116,830 | 10,612 | 3,607,725 | (3,399,518) | 323,819 |
| Revenue Sharing | 20,000 | - | - | - | - | - | - | 20,000 |
| Stock sales | - | - | - | - | - | - | - | - |
| Stock for services | - | - | - | - | - | - | - | - |
| Net loff for the year | - | - | - | - | - | - | (75,588) | (75,588) |
| **Balance at December 31, 2015** | $ 125,000 | - | - | 106,116,830 | $ 10,612 | $3,607,725 | $ (3,475,106) | $ 268,231 |

**SIDNEY RESOURCES CORPORATION**
(An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and December 31, 2014

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### History

The company was formed in 1896 and incorporated in Idaho on June 10, 1910 as Sidney Mining Company. The purpose of the Company was to develop and mine mineral properties in Idaho State. In the past the Company mined and processed zinc ore and related minerals in the Yreka Mining District in Shoshone County, Idaho.

On March 4, 2003, the Company merged with its wholly-owned subsidiary Sidney Resources Corporation. The Company then changed its name to Sidney Resources Corporation.

In 2003, the company sold 6,852,500 shares common stock at $.095 per share. The Company also issued 1,212,647 shares of Common stock for services and 500,000 shares for Lease acquisition costs. These shares were valued at $.10 per share, reflecting the share sales during the year.

In 2004, the Company sold 785,000 shares common stock at $.125 per share. It issued 400,000 shares of common stock for the exercise of warrants that were issued during 2004. The warrants were exercised at $.25 per share. It also issued 93,750 shares of common stock for the purchase of equipment and 2,514,000 shares of Common stock for services. These shares were valued at $.10 per share, reflecting the share sales during the year.

In 2005, the Company sold 8,550,000 shares common stock at $.05 per share. It also issued 1,750,000 shares of Common stock for services. These shares were valued at $.05 per share, reflecting their issue early in the year and share sales during the pervious year.

In 2006, the Company sold 1,420,220 shares common stock at $.05 per share. It also issued 660,000 shares of Common stock for services. These shares were valued at $.05 per share, reflecting the share sales during the year.

In 2007, the Company sold 2,353,216 shares common stock at $.048 per share. It also issued 12,109,000 shares of Common stock for services. These shares were valued at $.05 per share, reflecting the share sales during the year.

In 2008, the Company sold 2,010,800 shares common stock at $.03 per share. It also issued 7,823,000 shares of Common stock for services and 275,000 shares for supplies. These shares were valued at $.03 per share, reflecting the share sales during the year.

In 2009, the Company sold 2,710,000 shares common stock at $.04 per share. It also issued 4,440,000 shares of Common stock for services. These shares were valued at $.04 per share, reflecting the share sales during the year.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In 2010 as of December 31, the Company sold 2,862,500 shares common stock at $.02 per share. It issued no shares of Common stock for services.

In 2011, the Company sold 14,995,197 shares common stock at Market value. It also issued 9,000,000 shares of Common stock for services. These shares were valued at $.02 per share, reflecting the share sales during the period issued.

For the year ended December 31, 2012 there were no stock transactions for the Company.

In 2013, the Company sold 600,000 shares common stock at $.01 per share. It issued no other stock.

For the year ended December 31, 2014, the Company sold 700,000 shares common stock at $.01 per shares. It also issued 13,500,000 shares of Common stock for services valued at $.0085 per share, reflecting the share price at the time of issue.

For the year ended December 31, 2015 the Company had no stock transactions.

**Financial Statement Presentation**
The acquisition was treated as a reverse merger whereby the acquired company is treated as the acquiring company for accounting purposes.

**An Exploration Stage Company**
The Company is an Exploration Stage Company since it is engaged in the search for mineral deposits, which are not in the development or productions stage. As an exploration stage company the Company will present, since inception, results on its statements of operations, stockholders' equity and cash flows.

**Cash and Cash Equivalents**
For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. There was cash paid during the year 2015 for interest of $472.

**Property and Equipment**
Property and equipment are carried at cost. Maintenance, repairs and renewals are expensed as incurred. Depreciation of property and equipment is provided for over their estimated useful lives, which range from five, seven and ten years, using the straight-line method.

**Lease Acquisition Costs**
Lease acquisition cost of $281,050 at December 31, 2015 and December 31, 2014, primarily includes costs incurred to build and improve the road on the leased land. Since mining has not commenced, no amortization expense has been recognized for the periods presented. Amortization will be recorded using the units-of-production method when mining begins.

**Environmental Liabilities**
The Company is subject to a variety of federal and state environmental regulations and agencies. The Company will only accrue liabilities for environmental claims and damages when it is probable and the costs are estimable.

**Use of Estimates**
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Concentration of Credit Risk**
The Company places its cash in financial institutions which are insured by FDIC. At times, such cash may be in excess of the FDIC insurance limits.

## NOTE 2 – INCOME TAXES

The Company accounts for income taxes under principals, which requires the Company to recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax basis of the assets and liabilities using enacted tax rates. The Company has no significant differences between book and tax accounting. At December 31, 2015, the Company had an estimated tax loss carry-forward of approximately $3,400,000. Due to uncertainties as to future profitability the value of the net operating loss carry forward is fully reserved.

If not used, the carryforwards will expire are follows:

| | |
|---|---|
| Year 2024 $174,630 | Year 2030 $161,122 |
| Year 2025 516,401 | Year 2031 335,842 |
| Year 2026 250,394 | Year 2032 34,086 |
| Year 2027 764,334 | Year 2034 134,759 |
| Year 2028 425,014 | Year 2035 75,588 |
| Year 2029 541,860 | |
| | Total $3,414,030 |

Years open to IRS examination are 2015, 2014, 2013, 2012 as of the date of these financials.

## NOTE 3 – MINERAL LEASE

As of the date of this financial statement the Board of Directors have signed a 5 year lease with an option to renew for an additional 5 years. The royalty payment will be 3% of net smelter returns. The lease is 60,000 per year. The first year was paid to the owner of the property, Leland Minerals LLC and has been reflected in prepaid expenses. There is an agreement to apply royalty payments towards the lease payment in subsequent years. The lease guarantees Sidney Resources the exclusive rights and options to lease the Lucky Ben Mine Group Properties and mineral rights located within the Warren Mine District of Idaho. The lease is being amortized over 60 months. Amortization for the year ended December 31, 2015 was $12,000 and accumulated amortization was $12,000 at December 31, 2015 and none at December 31, 2014.

## NOTE 4 – RELATED PARTIES

The officers and members of the Board of Directors have received stock and cash as compensation, amounts paid to date was as follows, includes past Directors and Officers:

| | Cash | Stock-Shares | Stock-Value |
|---|---|---|---|
| Officers & Directors | $31,000 | 17,825,953 | $649,745 |

## NOTE 5 – REVENUE SHARING AGREEMENT

During the 4th quarter of 2014 the Company entered into agreements with investors whereby the investor will receive a share of the Company's profit. The investors were limited to $5,000 investment and a maximum of 140 investors. In exchange for the cash injection the investors will receive .143% of the profits annually that are specific to the Lucky Ben Mine Project. The Company collected $20,000 during the year ended December 31, 2015 and $105,000 for the year ended December 31, 2014. No amounts were paid under this agreement for the year ended December 31, 2015 and year ending December 31, 2014.

## NOTE 6 – STOCKHOLDERS' EQUITY

### Revenue Sharing Agreement

See note 5 for information concerning this arrangement.

### Common Stock

The Company is authorized at 500,000,000 shares of Common stock, with a par value of $.0001 per share, authorized as of December 31, 2015. There were 106,116,830 shares outstanding at September 30, 2015 and 106,116,830 as of December 31, 2014.

## NOTE 6 – STOCKHOLDERS' EQUITY - continued

**Preferred Stock**

The Company is authorized at 10,000,000 shares of Preferred stock, with a par value of $.0001 per share, authorized as of December 31, 2015. There were 0 shares outstanding. The unissued shares of Preferred stock may be divided into and issued in designated series from time to time by one or more resolutions adopted by the Board of Directors.

**Warrants and Options**

In 2004, the Company as part of a Private Placement Offer issued 400,000 warrants with an exercisable price of $0.25 per share. The warrants were exercised in 2004 for $100,000. All other warrants issued in connection with this offering have expired. In September 2006, the Board of Directors eliminated the issuance of warrants and options by the Company.

## NOTE 7 – COMMITMENTS

As of December 31, 2015 and December 31, 2014 the Company had only month to month commitments for storage space.

## NOTE 8 - GOING CONCERN

The Company has not generated significant revenues or profits to date. This factor among others may indicate the Company will be unable to continue as a going concern. The Company's continuation as a going concern depends upon its ability to generate sufficient cash flow to conduct its operations and its ability to obtain additional sources of capital and financing. Management continues to look for additional capital through stock sales and/or minimum royalty payments on production, minimizing debt load to meet its working capital obligations in 2016 and beyond. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## NOTE 9 – COMPENSATED ABSENCES AND PROPERTY TAX ACCRUALS

The Company does not compensate for absences and does not have significant personal or real estate property taxes to accrue.

## NOTE 10 – STOCK-BASED COMPENSATION

At various times during the life of the company it has issued stock for services, supplies and other costs. The company recorded an expense as of average trading value of the stock at the time of issue and an increase in the value of stock. The stock is restricted for one year but has no vesting requirements. For the year ended December 31, 2015 there were no shares of stock issued for compensation and there were 13,500,000 shares issued for compensation for the year ended December 31, 2014.

Since inception the Company has issued 53,008,647 shares valued at $1,858,155 for services, 500,000 shares valued at $50,000 for lease acquisition, 93,750 valued at $9,375 for equipment which was capitalized, and 275,000 valued at $8,250 for supplies.

## NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 1, 2016 the date on which the financial statements were issued.

The Board of Directors remains focused on securing additional funding to expand exploration activities and move the Lucky Ben Mine Properties into production. Talks continue with two companies on securing additional properties and equipment within the Warren Mine District.