X RAIL ENTERPRISES INC.

CONSOLIDATED FINACIAL STATEMENTS

AS OF MARCH 31, 2016 AND 2015

X RAIL ENTERPRISES, INC
CONSOLIDATED STATEMENTS
BALANCE SHEET
AS OF MARCH 31, 2016 AND MARCH 31, 2015

		2016		2015
ASSETS		UNAUDITED		
Current Assets:				
Cash And Cash Equivalents	**$**	52,268	$	0
Notes Receivable		225,000		
Total Current Assets		277,268		0
Other Assets		5,627,840		1,372,181
Total Assets	**$**	5,905,108	$	1,372,181
LIABILITIES AND SHAREHOLDER'S EQUITY				
Current Liabilities:				
Accounts Payable	**$**		$	
Notes payables - Current		857,244		1,542,015
Total Current Liabilities		857,244		
Long-term Liabilities:				
Other Long-term Liabilities		274,193		331274
Total liabilities		1,131,437		1,873,289
Commitments		-		
Stockholders' Equity:				
Common stock: 500,000,000 shares authorized, $0.00001 par value 184,043,185 and 6,992,834 issued and outstanding		1,840		70
Preferred Shares		1		476
Subsidiary		(942,706)		
Additional paid-in-capital		9,625,463		4,578,512
Accumulated deficits		(3,910,927)		(5,080,166)
Total Stockholders' Equity		4,773,671		(501,108)
Total Liabilities And Stockholders' Equity	**$**	5,905,108	$	1,372,181
		0		

See accompanying notes to financial statements

X RAIL ENTERPRISES, INC
CONSOLIDATED STATEMENTS
STATEMENTS OF OPERATIONS
FOR THE QUARTER ENDING MARCH 31, 2016 AND 2015

	UNAUDITED 2016	UNAUDITED 2015
Net revenue	$ 1,922,339	
Cost of revenue	-	
Gross profit	1,922,339	
Operating expenses		
Amortization and depreciation expenses	2,633	
Office Rent	14,716	575
Phone		200
Travel		100
Management and Consulting	26,557	4,600
General & administrative expenses	1,331,668	721
Total operating expenses	1,375,574	6,196
Income (Loss) from operations	546,765	(6,196)
Other income (expense):		
Other income	145,857	
Other Expense		
Interest expense	-	
Total other income (expense)	145,857	
Net profit (loss)	$ 692,622	(6,196)

See accompanying notes to financial statements

X RAIL ENTERPRISES, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER TO DATE ENDED MARCH 31, 2016 AND MARCH 31, 2015
UNAUDITED

	2016	2015
Cash Flows From Operating Activities		
Net Income (loss)	**$** 692,623	**$** (6,196)
		-
Depreciation and amortization		
		-
(Increase) / decrease in assets:		
Accounts Receivable	343,807	
Inventory		
Other Assets		-
Prepaid Expenses	-	
Increase / (decrease) in liabilities:		
Commissions Payable	-	
Accrued Expenses	2,690	
DERIVATIVE LIABILITY	(1,922,339)	
Notes Payable	(2,002,000)	-
Accrued Interest	(345,858)	-
Accounts Payable	(15,577)	-
Net cash used in operating activities	(3,246,654)	(6,196)
INVESTING ACTIVITIES		
Transportation	1,000,000	
Accumulated Depreciation	2,633	
Net cash provided by investing Activities	1,002,633	
Cash Flows From Financing Activites		
Net cash provided by stockholders	2,248,600	6,196
Net Proceeds from the issuance of Preferred stock		
Net Proceeds from acquisition of assets		
Net Cash Provided by Financing Activities	2,248,600	6,196
Net Increase (Decrease) During the Period	4,579	
Cash and cash equivalents, Beginning of the period	(4,019)	-
Cash and cash equivalent, End of the period	**$** 560	**$** 0

See accompanying notes to financial statements

X RAIL ENTERPRISES, INC
CONSOLIDATED EQUITY STATEMENT
AS OF MARCH 31, 2016
UNAUDITED

	COMMON STOCK Shares	Amount	Additional Paid-In Capital	Retained Earnings (Deficit)	Subsidiary	Stockholders' Equity (Deficit)
Balance as of March 31, 2013	6,752,832,516	67,528	4,508,654	(5,026,514)		(450,332)
Stock for Debt June 2013	240,000,000	2,400	0			2,400
Income or (Loss) June 30, 2013				(8,200)		(8,200)
Balance as of June 30, 2013	6,992,832,516	69,928	4,508,654	(5,034,714)		(456,132)
Income or (loss) December 31, 2013				(16,268)		(16,268)
Balance as of Dec 31, 2013	6,992,832,516	69,928	4,508,654	(5,050,982)		(472,400)
Stock reverse Oct 14, 2014	6,992,833	70	4,578,512	(5,050,982)		(472,400)
Income or (loss) December 31, 2014				(22,988)		(22,988)
Balance as of Dec 31, 2014	6,992,833	70	4,578,512	(5,073,970)		(495,388)
Income or (loss) March 31, 2015				(6,196)		(6,196)
Balance as of March 31, 2015	6,992,833	70	4,578,512	(5,080,166)		(501,584)
Income or (loss) June 30, 2015				(5,675)		(5,675)
Balance as of June 30, 2015	6,992,833	70	4,578,512	(5,085,841)		(507,259)
Income or (loss) Sept 30, 2015				(10,575)		(10,575)
Balance as of September 30, 2015	6,992,833	70	4,578,512	(5,096,416)		(517,834)
Cancellation of Shares	(750,000)	(8)				(8)
Stock issuance for Management	4,000,000,000	40,000	(40,000)			-
Stock issued for Debt	900,000	9	(9)			-

Balance	4,007,142,833	40,072	4,538,503	(5,096,416)		(517,841)
Stock Reverse 1 for 1,000	4,007,749					
DTC rounding	35					
Balance	4,007,784	40	4,578,535	(5,096,416)		(517,841)
						0
Income or (loss) December 31, 2015				492,867		492,867
Balance as of December 31, 2015	4,007,784	40	4,578,535	(4,603,549)		(24,974)
Stock purchase 20,000,000 shares LVRE	18,144,719	181	2,999,819			3,000,000
Stock Purchase of LVRE Stock	145,756,682	1,458	1,471,795			1,473,253
Stock LVRE 19,643375 LVRE shares .075						
Stock purchase	2,250,000	23	224,978			225,000
Management Stock	2,500,000	25	(25)			-
Management Stock	10,000,000	100	(100)			-
Director Stock	644,000	6	(6)			0
Management Producion Stock	740,000	7	(7)			0
Income or (loss) as of March 2016				692,622		692,622
Balance as of March 2016	184,043,185	1,840	9,274,988	(3,910,927)		5,365,902
	Preferred Stock Series A					
Stock issued March 2000 net of Reverse	47,560	476				476
Balance of Preferred	47,560	476				476
Stock Issued	1,000	0	0			0
Stock issued net of reverse	51,000	510	(510)			0
Balance	99,560	986	(510)			476

Stock Reverse 1 for 1,000	98,796	1	475			476
Balance March 31, 2016 Preferred A	98,796	1	475			476
	Preferred Stock Series A-2					
Stock Issued	2,000	0	0			0
Stock Issued for Asset Company	2,000	0	350,000			350,000
Stock Reverse 1 for 1,000	4	0				
Balance March 31, 2016 Preferred A-2	4	0	350,000			350,000
Total Balance as of March 31, 2016	184,141,985	1,841	9,625,463	(3,910,927)		5,716,377
Total Balance as of March 2016	184,141,985	1,841 0	9,625,463	(3,910,927)		5,716,377
Subsidiary					(942,706)	(942,706)
Total Balane as of March 2016	184,141,985	1,841	9,625,463	(3,910,927)	(942,706)	4,773,671

X RAIL ENTERPRISES INC.

NOTES TO FINIANCIAL STATEMENT
March 31, 2016

NOTES- SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES

Basis of Presentation

The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America ("GAAP" accounting) are the financial statements are presented in US dollars. The Company has adopted a December 31 fiscal year end.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of assets requires management to make estimates and assumptions that affect the reported amounts and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and the expenses during the reporting period. Actual results could differ from those estimates.

Financial Instruments

The carrying value of the Company's financial instruments approximates their fair value because of the short maturity of these instruments.

Income Taxes

Income taxes are accounted for under the assets and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted
tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Use of net operating loss carry forwards for income tax purposes may be limited by Internal Revenue Code section 382 if a change of ownership occurs.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. There are no such common stock equivalents outstanding as of December 31, 2015

Dividends

The Company has not adopted any policy regarding payment of dividends. No dividends have been paid during any of the periods shown.

Impairment of Long-Lived Assets
The Company continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered.
Impairment of Long-Lived Assets (Continued) through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

Advertising Costs
The Company's policy regarding advertising is to expense advertising when incurred.
Revenue Recognition. The Company recognizes revenue when products are fully delivered or services have been provided and collection is reasonably assured.

Stock-Based Compensation
Stock-based compensation is accounted for at fair value in accordance with SFAS No. 123 and 123 (R) (ASC 718) To date, the Company has not adopted a stock option plan and has not granted any stock options.

New Authoritative Accounting Guidance
On July 1,2009, the Accounting Standards Codification ("ASC") became the Financial Accounting Standards Board ("FASB") officially recognized source of authoritative U.S. generally accepted accounting principles applicable to all public and non-public nongovernmental entities, superseding existing FASB, AICPA, EITF and related literature. Rules and interpretive releases of the SEC under the authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. All other accounting literature is considered nonauthoritative. The switch to the ASC affects the away companies refer to U.S. GAAP in financial statements and accounting policies. Citing particular content in the ASC involves specifying the unique numeric path to the content through the Topic, Subtopic, Section and Paragraph structure.

FASB ASC Topic 260, "Earnings Per Share." On January 1,2009, the Company adopted new authoritative accounting guidance under FASB ASC Topic 260, "Earnings Per Share," which provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation
of earnings per share pursuant to the two-class method.

FASB ASC Topic 820, "Fair Value Measurements and Disclosures." New authoritative accounting guidance under ASC Topic 820,"Fair Value Measurements and Disclosures," affirms that the objective of fair value when the market for an asset is not active is the price that would be received to sell the asset in an orderly transaction, and clarifies and includes additional factors for determining whether there has been a significant decrease in market activity for an asset when the market for that asset is not active. ASC Topic 820

requires an entity to base its conclusion about whether a transaction was not orderly on the weight of the evidence. The new accounting guidance amended prior guidance to expand certain disclosure requirements. The Company adopted the new authoritative accounting guidance under ASC Topic 820 during the first quarter of 2009. Adoption of the new guidance did not significantly impact the Company's consolidated financial statements. Further new authoritative accounting guidance (Accounting Standards Update No. 2009-5) under ASC Topic 820 provides guidance for measuring the fair value of a liability in circumstances in which a quoted price in an active market for the identical liability is not available. In such instances, a reporting entity is required to measure fair value utilizing a valuation technique that uses (i) the quoted price of the identical liability when traded as an asset, (ii) quoted prices for similar liabilities or similar liabilities when traded as assets, or (iii) another valuation technique that is consistent with the existing principles of ASC Topic 820, such as an income approach or market approach. The new authoritative accounting guidance also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The forgoing new authoritative accounting guidance under ASC Topic 820 will be effective for the Company's consolidated financial statements beginning October 1,2009 and is not expected to have a significant impact on the Company's consolidated financial statements

FASB ASC Topic 825 "Financial Instruments." New authoritative accounting guidance under ASC Topic 825,"Financial Instruments," requires an entity to provide disclosures about the fair value of financial instruments in interim financial information and amends prior guidance to require those disclosures in summarized financial information at interim reporting periods. New Authoritative Accounting Guidance (continued}

FASB ASC Topic 855, "*Subsequent Events*." New authoritative accounting guidance under ASC Topic 855, "Subsequent Events," establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. ASC Topic 855 defines (i) the period after the balance sheet date during which a reporting entity's management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and (iii) the disclosures an entity should make about events or transactions that occurred after the balance sheet date. The new authoritative accounting guidance under ASC Topic 855 became effective for the Company's financial statements for periods ending after June 15,2009. Effective February 24, 2010, the FASB issued Accounting Standards Update ("ASU") No. 2010-09, "Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements" which revised certain disclosure requirements. ASU No. 2010-09 did not have a significant impact on the Company's consolidated financial statements. The company evaluated subsequent events, which are events or transactions that occurred after March 31, 2011 through the issuance of the accompanying consolidated financial statements.

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

NOTE 2- In February 2016 X Rail Enterprises purchased 19,643,375shares of LVRE (XTRN) for 145,756,682 shares of X Rail value was place on the purchase of $0.075 per share the price of the XTRN shares on February 9, 2016 the day of the purchase. The value of the XREE shares on that day was $1.33 per share or a value of $189,989,263.

NOTE 3- On March 30, 2016 X Rail Enterprises purchased 20,000,000 shares of LVRE from Cowan Investments LLC for 18,144,719 XTRN stock on that day was $0.12 per share for a value of $2,400,000 for the XTRN stock the value of the XREE stock was $2.10 per share for a value of the stock at $38,103,909 total value.

NOTE 4- In December 23, 2015 the company issued 2 shares of Preferred stock at a value of $350,000 for the controlling interest in X Rail Assets

NOTE 5- 2,250,000 Shares of stock was purchased by one of the largest shareholders in the company and two of the officers of the company.

NOTE 6- Loans to the company are long-term loans that totaled $274,193 for the Quarter Ended March 31, 2016. One of the notes is $87,600 from 2008. Current notes payable is $13,407.