WEED, INC.
(Formerly United Mines, Inc.)

Financial Statements
For the Three and Nine Months Ended
September 30, 2016 and 2015
(Unaudited)

CONTENTS

WEED, INC. (Formerly United Mines, Inc.)
BALANCE SHEETS
(Unaudited)

	September 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash	$ 4	$ 7
Prepaid expenses	2,273	2,067
Total current assets	2,277	2,074
Property and equipment, net	296	394
Total assets	$ 2,573	$ 2,468
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 55,595	$ 51,748
Accrued officer compensation	146,000	86,000
Accrued interest	35,496	32,022
Convertible notes payable	35,000	35,000
Notes payable, related parties	23,305	13,300
Total current liabilities	295,396	218,070
Commitments and contingencies	-	-
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value, 20,000,000 shares authorized, no shares designated, issued and outstanding	-	-
Common stock, $0.001 par value, 200,000,000 shares authorized, 61,118,307 and 61,118,307 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively	61,118	61,118
Additional paid in capital	11,057,195	11,056,712
Subscriptions payable, consisting of 6,450,000 and 1,770,000 shares at September 30, 2016 and December 31, 2015, respectively	484,302	114,990
Accumulated deficit	(11,895,438)	(11,448,422)
Total stockholders' equity (deficit)	(292,823)	(215,602)
Total liabilities and stockholders' equity (deficit)	$ 2,573	$ 2,468

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

WEED, INC. (Formerly United Mines, Inc.)
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30, 2016	For the Three Months Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
Revenue	$ -	$ -	$ -	$ -
Operating expenses:				
General and administrative	22,989	27,054	71,323	573,171
Professional fees	251,094	35,850	371,638	554,516
Depreciation and amortization	33	33	98	98
Total operating expenses	274,116	62,937	443,059	1,127,785
Net operating loss	(274,116)	(62,937)	(443,059)	(1,127,785)
Other expense:				
Interest expense	(1,382)	(1,208)	(3,957)	(3,616)
Net loss	$ (275,498)	$ (64,145)	$ (447,016)	$ (1,131,401)
Weighted average number of common shares outstanding - basic and fully diluted	61,118,307	61,071,350	61,118,307	52,123,893
Net loss per share - basic and fully diluted	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.02)

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

WEED, INC. (Formerly United Mines, Inc.)
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30, 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)	$ (447,016)	$ (1,131,401)
Adjustments to reconcile net loss		
to net cash used in operating activities:		
Depreciation	98	98
Imputed interest on non-interest bearing related party debts	483	150
Shares issued for services, related parties	-	840,000
Shares issued for services	369,312	182,840
Decrease (increase) in assets:		
Prepaid expenses	(206)	7,181
Increase (decrease) in liabilities:		
Checks drawn in excess of available funds	-	-
Accounts payable	3,847	17,397
Accrued compensation	60,000	54,500
Accrued interest	3,474	3,466
Net cash used in operating activities	(10,008)	(25,769)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable, related parties	16,005	1,300
Repayments on notes payable, related parties	(6,000)	(5,115)
Proceeds from the sale of common stock	-	24,000
Net cash provided by financing activities	10,005	20,185
NET CHANGE IN CASH	(3)	(5,584)
CASH AT BEGINNING OF PERIOD	7	5,622
CASH AT END OF PERIOD	$ 4	$ 38
SUPPLEMENTAL INFORMATION:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

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

WEED, INC.
(Formerly United Mines, Inc.)
Notes to Financial Statements
For the Nine Months Ended September 30, 2016
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Business
WEED, Inc. (the "Company"), (formerly United Mines, Inc.) was incorporated under the laws of the State of Arizona on August 20, 1999 ("Inception Date") as Plae, Inc. to engage in the exploration of gold and silver mining properties. On November 26, 2014, the Company was renamed from United Mines, Inc. to WEED, Inc. and was repurposed to pursue a business involving the purchase of land, and building Commercial Grade "Cultivation Centers" to consult, assist, manage & lease to Licensed Dispensary owners and organic grow operators on a contract basis, with a concentration on the legal and medical marijuana sector. The Company's plan is to become a True "Seed-to-Sale" company providing infrastructure, financial solutions and real estate options in this new emerging market. The Company, under United Mines, was formerly in the process of acquiring mineral properties or claims located in the State of Arizona, USA. The name was previously changed on February 18, 2005 to King Mines, Inc. and then subsequently changed to United Mines, Inc. on March 30, 2005. The Company trades on the OTC Pink Sheets under the stock symbol: BUDZ.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

The Company has a calendar year end for reporting purposes.

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

Cash and Cash Equivalents
We maintain cash balances in non-interest-bearing accounts, which do not currently exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. There were no cash equivalents on hand for the periods presented herein.

Fair Value of Financial Instruments
Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, prepaid expenses and accrued expenses reported on the balance sheet are estimated by management to approximate fair value primarily due to the short term nature of the instruments.

Property and Equipment
Property and equipment is stated at the lower of cost or estimated net recoverable amount. The cost of property, plant and equipment is depreciated using the straight-line method based on the lesser of the estimated useful lives of the assets or the lease term based on the following life expectancy:

Software	3 years
Furniture and fixtures	5 years
Equipment	5-7 years

Repairs and maintenance expenditures are charged to operations as incurred. Major improvements and replacements, which have extend the useful life of an asset, are capitalized and depreciated over the remaining estimated useful life of the asset. When assets are retired or sold, the cost and related accumulated depreciation and amortization are eliminated and any resulting gain or loss is reflected in operations.

Impairment of Long-Lived Assets
Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable or is impaired. Recoverability is assessed using undiscounted cash flows based upon historical results and current projections of earnings before interest and taxes. Impairment is measured using discounted cash flows of future operating results based upon a rate that corresponds to the cost of capital. Impairments are recognized in operating results to the extent that carrying value exceeds discounted cash flows of future operations. The Company did not recognize any impairment losses on the disposal of fixed assets during the nine months ended September 30, 2016.

Basic and Diluted Loss Per Share
The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

Stock-Based Compensation
Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Company's stock based compensation consisted of the following during the nine months ended September 30, 2016 and 2015, respectively:

	September 30, 2016	September 30, 2015
Common stock issued for services, related parties	$ -	$ 840,000
Common stock issued for services	369,312	182,840
Total stock based compensation	$ 369,312	$ 1,022,840

Revenue Recognition
Sales on fixed price contracts are recorded when services are earned, the earnings process is complete or substantially complete, and the revenue is measurable and collectability is reasonably assured. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company will defer any revenue from sales in which payment has been received, but the earnings process has not occurred. Sales have not yet commenced on the MMJ business. The Company also did not recognize revenues from its previous mining operations during the periods presented herein.

Advertising and Promotion
All costs associated with advertising and promoting products are expensed as incurred. These expenses were $-0- and $-0- for the nine months ended September 30, 2016 and 2015, respectively.

Income Taxes
Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided for significant deferred tax assets when it is more likely than not, that such asset will not be recovered through future operations.

Uncertain Tax Positions
In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

Recently Issued Accounting Pronouncements

In August, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (a consensus of the Emerging Issues Task Force). Effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is evaluating the impact of this ASU on the Company's financial statements.

In June, 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* For public business entities that are U.S. Securities and Exchange Commission (SEC) filers, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, including not-for-profit entities and employee benefit plans within the scope of Topics 960 through 965 on plan accounting, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. All entities may adopt the amendments in this Update earlier as of the fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is evaluating the impact of this ASU on the Company's financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting (Topic 718)* ("ASU 2016-09"). The provisions of the update amend ASC Topic 718, Compensation – Stock Compensation, and includes provisions intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, including accounting for the income tax consequences, estimates of forfeitures and classification of excess tax benefits on the statement of cash flows. For public business entities, this update is effective for fiscal years beginning after December 15, 2016, including interim periods. The Company is evaluating the impact of this ASU on the Company's financial statements.

In March, 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net).* The amendments in this Update affect the guidance in Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is not yet effective. The effective date and transition requirements for the amendments in this Update are the same as the effective date and transition requirements of Update 2014-09. Accounting Standards Update No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, defers the effective date of Update 2014-09 by one year. The Company is evaluating the impact of this ASU on the Company's financial statements.

In March, 2016, the FASB issued ASU No. 2016-07, *Investments—Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting.* Effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the adoption of the equity method. Earlier application is permitted. The Company is evaluating the impact of this ASU on the Company's financial statements.

In March, 2016, the FASB issued ASU No. 2016-04, *Liabilities—Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products* (a consensus of the Emerging Issues Task Force). Effective for public business entities, certain not-for-profit entities, and certain employee benefit plans for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Earlier application is permitted, including adoption in an interim period. The Company is evaluating the impact of this ASU on the Company's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which is intended to improve financial reporting about leasing transactions. ASU 2016-02 requires a lessee to record on the balance sheet the assets and liabilities for the rights and obligations created by lease terms of more than 12 months. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently in the process of evaluating the impact of adoption of ASU 2016-02 on its balance sheets, results of operations or cash flows. The Company is evaluating the impact of this ASU on the Company's financial statements.

No other new accounting pronouncements, issued or effective during the nine months ended September 30, 2016, have had or are expected to have a significant impact on the Company's financial statements.

Note 2 – Going Concern

As shown in the accompanying financial statements, the Company has no revenues, incurred net losses from operations resulting in an accumulated deficit of $11,895,438, and had negative working capital of ($293,119) at September 30, 2016. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new products and services to begin generating revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. The Company, however, is dependent upon its ability to secure equity and/or debt financing and there are no assurances that the Company will be successful; therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Related Party

Notes Payable
From time to time, the Company has received short term loans from officers and directors as disclosed in Note 7 below.

Common Stock
On October 1, 2016, the Company granted 7,000,000 shares of common stock to our CEO, Glenn E. Martin, as a bonus for services performed pursuant to an amended employment agreement. The total fair value of the common stock was $700,000 based on the closing price of the Company's common stock on the date of grant.

In addition, on October 1, 2016, the Company granted a total of 14,000,000 shares of common stock to Mr. Martin for services performed pursuant to his previous employment agreement. The total fair value of the common stock was $1,400,000 based on the closing price of the Company's common stock on the date of grant.

On October 1, 2016, the Company granted 4,000,000 shares of common stock to a related party as a bonus for services performed pursuant to an amended employment agreement. The total fair value of the common stock was $400,000 based on the closing price of the Company's common stock on the date of grant.

In addition, on October 1, 2016, the Company granted a total of 8,000,000 shares of common stock to a related party for services performed pursuant to their previous employment agreement. The total fair value of the common stock was $800,000 based on the closing price of the Company's common stock on the date of grant.

On October 1, 2016, the Company granted 1,000,000 shares of common stock to a related party as a bonus for services performed pursuant to an amended employment agreement. The total fair value of the common stock was $100,000 based on the closing price of the Company's common stock on the date of grant.

In addition, on October 1, 2016, the Company granted a total of 2,000,000 shares of common stock to a related party for services performed pursuant to their previous employment agreement. The total fair value of the common stock was $200,000 based on the closing price of the Company's common stock on the date of grant.

Capital Contributions
During the nine months ended September 30, 2016, the Company imputed interest on non-interest bearing, related party loans, resulting in a total of $483 of contributed capital.

Note 4 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has certain financial instruments that must be measured under the new fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balance sheets as of September 30, 2016 and December 31, 2015, respectively:

	Fair Value Measurements at September 30, 2016		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 4	$ -	$ -
Total assets	4	-	-
Liabilities			
Convertible notes payable	-	35,000	-
Notes payable, related parties	-	23,305	-
Total liabilities	4	58,305	-
	$ 4	$ (58,305)	$ -

	Fair Value Measurements at December 31, 2015		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 7	$ -	$ -
Total assets	7	-	-
Liabilities			
Convertible notes payable	-	35,000	-
Notes payable, related parties	-	13,300	-
Total liabilities	-	48,300	-
	$ 7	$ (48,300)	$ -

The fair values of our related party debts are deemed to approximate book value, and are considered Level 2 inputs as defined by ASC Topic 820-10-35.

There were no transfers of financial assets or liabilities between Level 1, Level 2 and Level 3 inputs for the nine months ended September 30, 2016 or the year ended December 31, 2015.

Note 5 – Property and Equipment

Property and equipment consist of the following at September 30, 2016 and December 31, 2015, respectively:

	September 30, 2016	December 31, 2015
Office equipment	$ 650	$ 650
Less accumulated depreciation	(354)	(256)
	$ 296	$ 394

Depreciation and amortization expense totaled $98 and $98 for the nine months ended September 30, 2016 and 2015, respectively.

Note 6 – Convertible Notes Payable

Convertible notes payable consist of the following at September 30, 2016 and December 31, 2015, respectively:

	September 30, 2016	December 31, 2015
On December 7, 2007, the Company issued a 10% note payable to the Lebrecht Group, PC ("Lebrecht Note") for services rendered related to the registration of certain securities of the Company. The note and accrued interest were due December 7, 2008 and at the option of the holder payable in full on the maturity date or in 12 monthly payments beginning on the maturity date. The note and accrued interest are convertible to common shares at any time at the option of the holder at 75% of the average closing bid price on the five trading days immediately preceding the conversion. Management estimates, at this time, that 1,650,000 shares may be issued if this conversion feature is exercised. In accordance with generally accepted accounting principles, the 25% discount to market related to the beneficial conversion feature has been reported as a component of additional paid in capital. Additionally, since this represents a prepayment for services related to a future public offering, management had elected to offset the cost to future capital raised as a result of the offering, if any. Currently in default.	$ 35,000	$ 35,000
Total convertible notes payable	35,000	35,000
Less unamortized debt discounts:		
Discount on beneficial conversion feature	-	-
Convertible notes payable (in default)	$ 35,000	$ 35,000

The Company recognized interest expense related to the convertible debts for the nine months ended September 30, 2016 and 2015, respectively, as follows:

	September 30, 2016	September 30, 2015
Accrued interest	$ 2,625	$ 2,625
Amortization of beneficial conversion feature	-	-
Total interest expense	$ 2,625	$ 2,625

In addition, the Company recognized and measured the embedded beneficial conversion feature present in the convertible debts by allocating a portion of the proceeds equal to the intrinsic value of the feature to additional paid-in-capital. The intrinsic value of the feature was calculated on the commitment date using the effective conversion price of the convertible debt. This intrinsic value is limited to the portion of the proceeds allocated to the convertible debt.

Note 7 – Notes Payable, Related Parties

Notes payable, related parties consist of the following at September 30, 2016 and December 31, 2015, respectively:

	September 30, 2016	December 31, 2015
On various dates, the Company received advances from the Company's CEO. The unsecured non-interest bearing loans were due on demand. The loans were repaid in full over various dates from March 15, 2016 through November 3, 2016.	$ 7,005	$ -
On August 23, 2016, the Company received an unsecured, non-interest bearing loan in the amount of $3,000, due on demand from an affiliate, bearing interest at 10% per annum.	3,000	-
On January 21, 2015, the Company received an unsecured loan in the amount of $1,300, due on demand from an affiliate, bearing interest at 10% per annum.	1,300	1,300
On April 12, 2010, the Company received an unsecured, non-interest bearing loan in the amount of $2,000, due on demand from an affiliate. Interest is being imputed at the Company's estimated borrowing rate, or 10% per annum.	2,000	2,000
Over various dates in 2011 and 2012, the Company received unsecured loans in the aggregate amount of $10,000, due on demand, bearing interest at 10%, from an affiliate.	10,000	10,000
Notes payable, related parties	$ 23,305	$ 13,300

The Company recorded interest expense in the amount of $1,332 and $991 for the nine months ended September 30, 2016 and 2015, respectively, including imputed interest expense in the amount of $483 and $150 for the nine months ended September 30, 2016 and 2015, respectively related to notes payable, related parties.

Note 8 – Commitments and Contingencies

On September 30, 2014, the majority of shareholders approved a Settlement Agreement dated December 11, 2013 and signed on August 19, 2014 pursuant to Case No. C20125545 in the Superior Court of the State of Arizona, whereby among other provisions, the Plaintiffs, consisting of United Mines, Inc. ("UMI") and its then principals, agreed to the cancellation of a total of 4,820,953 shares of common stock and control of the Company in exchange for (i) sixty five (65) of the unpatented Bureau of Land Management ("BLM") mining claims, the mill site, buildings and equipment, (ii) the four (4) Arizona State Land Department Exploration Permits registered to the Company, (iii) any permits, financial and reclamation guaranties, bonds and licenses connected with the foregoing assets. In addition, thirty-three (33) unpatented BLM mining claims remained the property of UMI, along with any associated permits, financial and reclamation guaranties, bonds, licenses, and the rights to the corporation, the corporation's name, stock symbol, or any other asset of UMI, shall remain the property of UMI under the management of Glenn E. Martin. As of the date of this report, the Plaintiffs have not surrendered the stock certificates to the Company.

Note 9 – Changes in Stockholders' Equity

Preferred Stock
On December 5, 2014, the Company amended the Articles of Incorporation, pursuant to which 20,000,000 shares of "blank check" preferred stock with a par value of $0.001 were authorized. No series of preferred stock has been designated to date.

Common Stock
On December 5, 2014, the Company amended the Articles of Incorporation, and increased the authorized shares to 200,000,000 shares of $0.001 par value common stock.

Common Stock Issued for Services

On September 28, 2016, the Company granted 600,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $60,000 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on November 23, 2016.

On September 28, 2016, the Company granted 600,000 shares of common stock to another consultant for services performed. The total fair value of the common stock was $60,000 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on November 23, 2016.

On September 28, 2016, the Company granted 600,000 shares of common stock to a third consultant for services performed. The total fair value of the common stock was $60,000 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on November 23, 2016.

On July 1, 2016, the Company granted 500,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $35,000 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

On July 1, 2016, the Company granted 500,000 shares of common stock to another consultant for services performed. The total fair value of the common stock was $35,000 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

On March 18, 2016, the Company granted 60,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $5,820 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

On March 18, 2016, the Company granted 500,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $48,500 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

On March 18, 2016, the Company granted 120,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $11,640 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

On February 12, 2016, the Company granted 120,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $5,832 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

On February 1, 2016, the Company granted 500,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $22,000 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

On February 1, 2016, the Company granted 500,000 shares of common stock to another consultant for services performed. The total fair value of the common stock was $22,000 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

On February 1, 2016, the Company granted 20,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $880 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

On February 1, 2016, the Company granted 60,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $2,640 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on October 27, 2016.

Capital Contributions

During the nine months ended September 30, 2016, the Company imputed interest on non-interest bearing, related party loans, resulting in a total of $483 of contributed capital.

Note 10 – Common Stock Warrants

Common Stock Warrants Expired
On August 17, 2016, warrants to purchase 90,000 shares of common stock at $0.50 per share expired.

On February 20, 2016, warrants to purchase 100,000 shares of common stock at $0.75 per share expired.

Note 11 – Income Taxes

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the nine months ended September 30, 2016 and the year ended December 31, 2015, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At September 30, 2016 and December 31, 2015, the Company had approximately $8,067,000 and $8,050,000 of federal net operating losses, respectively. The net operating loss carry forwards, if not utilized, will begin to expire in 2031.

The components of the Company's deferred tax asset are as follows:

	September 30, 2016	December 31, 2015
Deferred tax assets:		
Net operating loss carry forwards	$ 2.823,500	$ 2,817,500
Net deferred tax assets before valuation allowance	$ 2.823,500	$ 2,817,500
Less: Valuation allowance	(2.823,500)	(2,817,500)
Net deferred tax assets	$ -	$ -

Based on the available objective evidence, including the Company's history of losses, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at September 30, 2016 and December 31, 2015, respectively.

A reconciliation between the amounts of income tax benefit determined by applying the applicable U.S. and State statutory income tax rate to pre-tax loss is as follows:

	September 30, 2016	December 31, 2015
Federal and state statutory rate	35%	35%
Change in valuation allowance on deferred tax assets	(35%)	(35%)

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

Note 12 – Subsequent Events

Common Stock Sales
On October 31, 2016, the Company sold 50,000 units at $0.10 per unit, consisting of 50,000 shares of common stock and warrants to purchase 50,000 shares of common stock at an exercise price of $1.50 per share, exercisable until October 31, 2017, in exchange for total proceeds of $5,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On October 25, 2016, the Company sold 150,000 units at $0.3333 per unit, consisting of 150,000 shares of common stock and warrants to purchase 150,000 shares of common stock at an exercise price of $1.50 per share, exercisable until October 25, 2017, in exchange for total proceeds of $50,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On October 19, 2016, the Company sold 25,000 units at $0.20 per unit, consisting of 25,000 shares of common stock and warrants to purchase 25,000 shares of common stock at an exercise price of $1.50 per share, exercisable until October 19, 2017, in exchange for total proceeds of $5,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On October 19, 2016, the Company sold 100,000 units at $0.10 per unit, consisting of 100,000 shares of common stock and warrants to purchase 100,000 shares of common stock at an exercise price of $1.50 per share, exercisable until October 19, 2017, in exchange for total proceeds of $10,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

Common Stock in Satisfaction of Subscriptions Payable
On October 27, 2016, the Company issued a total of 1,770,000 shares of common stock in satisfaction of common stock granted during the year ended December 31, 2015, in the aggregate value of $114,990.

Common Stock Issued for Services, Related Parties
On October 1, 2016, the Company granted 7,000,000 shares of common stock to our CEO, Glenn E. Martin, as a bonus for services performed pursuant to an amended employment agreement. The total fair value of the common stock was $700,000 based on the closing price of the Company's common stock on the date of grant.

In addition, on October 1, 2016, the Company granted a total of 14,000,000 shares of common stock to Mr. Martin for services performed pursuant to his previous employment agreement. The total fair value of the common stock was $1,400,000 based on the closing price of the Company's common stock on the date of grant.

On October 1, 2016, the Company granted 4,000,000 shares of common stock to a related party as a bonus for services performed pursuant to an amended employment agreement. The total fair value of the common stock was $400,000 based on the closing price of the Company's common stock on the date of grant.

In addition, on October 1, 2016, the Company granted a total of 8,000,000 shares of common stock to a related party for services performed pursuant to their previous employment agreement. The total fair value of the common stock was $800,000 based on the closing price of the Company's common stock on the date of grant.

On October 1, 2016, the Company granted 1,000,000 shares of common stock to a related party as a bonus for services performed pursuant to an amended employment agreement. The total fair value of the common stock was $100,000 based on the closing price of the Company's common stock on the date of grant.

In addition, on October 1, 2016, the Company granted a total of 2,000,000 shares of common stock to a related party for services performed pursuant to their previous employment agreement. The total fair value of the common stock was $200,000 based on the closing price of the Company's common stock on the date of grant.

Common Stock Issued for Services
On November 8, 2016, the Company granted 50,000 shares of common stock as a good faith deposit on a potential land purchase agreement that has not yet closed, as the Company does not currently have sufficient resources. The total fair value of the common stock was $42,500 based on the closing price of the Company's common stock on the date of grant.

On October 19, 2016, the Company granted 10,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $8,500 based on the closing price of the Company's common stock on the date of grant.