# AUREUS INCORPORATED

**Symbol: ARSN**

**FINANCIAL STATEMENTS**

For the

Quarter Ended July 31, 2017

Fiscal Year:

10/31

Address:

3555 ½ Tizer Lane Helena, MT 59602

**AUREUS INCORPORATED**
**CONDENSED BALANCE SHEETS**

| | | July 31, 2017 (Unaudited) | | October 31, 2016 (Audited) |
|---|---|---|---|---|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash | $ | 1,263 | $ | 8,311 |
| Prepaid Professional Fees | | 6,363 | | 4,863 |
| Total Current Assets | | 7,626 | | 13,174 |
| Fixed Assets: | | | | |
| Mining Properties | $ | 112,000 | $ | 112,000 |
| Plant and equipment | | 18,265 | | 17,063 |
| Total Fixed Assets | | 130,265 | | 129,063 |
| Total Assets | $ | 137,891 | $ | 142,237 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | | | |
| Current Liabilities: | | | | |
| Accounts payable | $ | 109,627 | $ | 30,894 |
| Accrued expenses | | 14,213 | | 5,474 |
| Due to related party | | 112,050 | | 112,050 |
| Note payable | | 219,465 | | 160,000 |
| Loan from related Party | | 24,656 | | 24,656 |
| | $ | 480,011 | $ | 333,074 |
| Stockholders' deficit: | | | | |
| Common stock; authorized 150,000,000; 126,450,000 shares at $0.001 par issued and outstanding at July 31, 2016 and October 31, 2015, respectively | $ | 126,450 | $ | 126,450 |
| Additional Paid in Capital | | (95,700) | | (95,700) |
| Accumulated deficit | $ | (372,870) | $ | (221,587) |
| Total stockholders' deficit | $ | (342,120) | $ | (190,837) |
| Total liabilities and stockholders' deficit | $ | 137,891 | $ | 142,237 |

The accompanying notes are an integral part of these financial statements

**AUREUS INCORPORATED**
**CONDENSED STATEMENTS OF OPERATIONS**
**(UNAUDITED)**

| | For the Three Month Period Ended July 31, 2017 | For the Three Month Period Ended July 31, 2016 | For the Nine Month Period Ended July 31, 2017 | For the Nine Month Period Ended July 31, 2016 |
|---|---|---|---|---|
| OPERATING EXPENSES | | | | |
| Repairs and maintenance | 11,743 | - | 13,022 | - |
| General and administrative | 44,235 | 26,799 | 129,522 | 57,931 |
| Total Operating Expenses | 55,978 | 26,799 | 142,544 | 57,931 |
| Other expenses / (income) | | | | |
| Gain on settlement of accounts payable | - | - | - | - |
| Interest Expense | 2,419 | 1,210 | 8,739 | 2,907 |
| Net loss for the period | $ (58,397) | $ (28,009) | $ (151,283) | $ (60,838) |
| Net loss per share: | | | | |
| Basic and diluted | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |
| Weighted average number of shares outstanding: | | | | |
| Basic and diluted | 126,450,000 | 8,430,000 | 126,450,000 | 8,430,000 |

The accompanying notes are an integral part of these financial statements

**AUREUS INCORPORATED**
**CONDENSED STATEMENTS OF CASH FLOWS**
**(UNAUDITED)**

| | For the Nine Month Period Ended July 31, 2017 | For the Nine Month Period Ended July 31, 2016 |
|---|---|---|
| Cash flow from operating activities: | | |
| Net loss | $ (151,283) | $ (60,838) |
| Increase in prepaid expenses | (1,500) | (3,615) |
| Increase in accounts payable | 78,733 | 20,697 |
| Increase in accrued expenses | 8,739 | 2,906 |
| Net cash used in operating activities | (65,311) | (40,850) |
| Cash flows from financing activities: | | |
| Additional Paid in Capital | - | (118,020) |
| Common stock | - | 118,020 |
| Proceeds from notes payable | 59,465 | 40,000 |
| Loan from related party | - | 112,050 |
| Net cash provided by financing activities | 59,465 | 152,050 |
| Cash flows from investing activities | | |
| Plant and equipment | (3,050) | - |
| Plant and equipment: Accumulated depreciation | 1,848 | - |
| Mining properties | - | (112,000) |
| Net cash provided by investing activities | (1,202) | (112,000) |
| Increase (Decrease) in cash during the period | (7,048) | (800) |
| Cash, beginning of period | 8,311 | 924 |
| Cash, end of period | $ 1,263 | $ 124 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the period | | |
| Taxes | $ - | $ - |
| Interest | $ - | $ - |

The accompanying notes are an integral part of these financial statements

## NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Aureus Incorporated (the "Company") was incorporated in the State of Nevada on April 19, 2013. The Company was organized to develop and explore mineral properties in the State of Nevada. On October 1, 2014, the Company entered into a Purchase Agreement with Gold Exploration Management Services, Inc. ("Gold Exploration") pursuant to which the Company purchased 100% of Gold's Exploration's interest in one claim block of 11 claims or 220 acres, in Elko County, Nevada (the "Gold Creek Property") for $15,000. The claims were registered in the name of Gold Exploration. On August 31, 2015, Gold Exploration's title to the mining claims on the Gold Creek Property expired but has been re-staked by the Company. In September 2015, the Bureau of Land Management ("BLM") imposed a prohibition on mining activities on 10 million acres of public and National Forest System Lands, including the Gold Creek Property, in order to protect the greater sage-grouse and its habitat from adverse effects of locatable mineral exploration and mining activities, subject to valid existing rights (the "Land Freeze"). Due to the Land Freeze, the Company has not been able to have the title to the Gold Creek Property transferred into the Company's name or to conduct any activities on the Gold Creek Property. On July 21, 2016 the Company entered into an agreement with Montana Mine Land Holdings LLC to acquire a 100% undivided interest of its Patented Mining Claims or the Property named: Keene Placer, M.S. located in Broadwater County, Montana.

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. It is management's opinion, however that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statements presentation. The accompanying unaudited financial statements of the Company should be read in conjunction with the unaudited financial statements and notes posted along with the Company's Annual Disclosure Statement on OTC Markets for the fiscal year ended October 31, 2016. Operating results and cash flows for interim periods are not necessarily indicative of results that can be expected for the entire year.

## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers all liquid investments with a maturity of three months or less from the date of purchase that are readily convertible into cash to be cash equivalents. As of July 31, 2017, and October 31, 2016, there were no cash equivalents.

Use of Estimates

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

Impairment of Long Lived Assets

The Company tests its assets for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable, which includes comparing the carrying amount of a long-lived asset to the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. An impairment loss would be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. For the Company's mining claims, this test includes examining the discounted and undiscounted cash flows associated with value beyond proven and probable reserves, in determining whether the mining claim is impaired.

Start-up Expenses

The Company expenses costs associated with start-up activities as incurred. Accordingly, start-up costs associated with the Company's formation have been included in the Company's general and administrative expenses.

Mining Interests and Exploration Expenditures

Exploration costs are expensed in the period in which they occur. The Company capitalizes costs for acquiring and leasing mineral properties and expenses costs to maintain mineral rights as incurred. Should a property reach the production stage, these capitalized costs would be amortized using the units-of-production method on the basis of periodic estimates of ore reserves. Mineral interests are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, its capitalized costs are charged to operations.

Income Taxes

The Company utilizes FASB ACS 740, "*Income Taxes*," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The accounting guidance for uncertainties in income tax prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Company recognizes a tax benefit from an uncertain tax position in the financial statements only when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits and a consideration of the relevant taxing authority's widely understood administrative practices and precedents.

Interest and penalties on tax deficiencies recognized in accordance with ACS accounting standards are classified as income taxes in accordance with ASC Topic 740-10-50-19.

We have implemented certain provisions of ASC 740, Income Taxes ("ASC 740"), which clarifies the accounting and disclosure for uncertain tax positions, as defined. ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. We adopted the provisions of ASC 740 and have analyzed filing positions in United States jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the United States as our "major" tax jurisdiction. Generally, we remain subject to United States examination of our income tax returns.

Fair Value of Financial Instruments

The Financial Accounting Standards Board issued ASC (Accounting Standards Codification) 820-10 (SFAS No. 157), "*Fair Value Measurements and Disclosures*" for financial assets and liabilities. ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements.

FASB ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Basic and Diluted Loss Per Share

Net loss per share is calculated in accordance with FASB ASC 260, *Earnings Per Share*, for the period presented. ASC 260 requires presentation of basic earnings per share and diluted earnings per share. Basic income (loss) per share ("Basic EPS") is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share ("Diluted EPS") is similarly calculated. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. For the three and nine months ended July 31, 2017 and 2016, there were no potentially dilutive securities.

Recent Accounting Pronouncements

The Company has reviewed all recently issued, but not yet adopted, accounting standards in order to determine their effects, if any, on its results of operation, financial position or cash flows. Based on that review, the Company believes that none of these pronouncements will have a significant effect on its condensed consolidated financial statements.

In June 2014, the FASB issued ASU 2014-12, "Compensation - Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period." This ASU provides more explicit guidance for treating share-based payment awards that require a specific performance target that affects vesting and that could be achieved after the requisite service period as a performance condition. The new guidance is effective for annual and interim reporting periods beginning after December 15, 2015. The Company does not expect the adoption of this guidance to have a material impact on the consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, "Presentation of Financial Statements – Going Concern (Topic 205-40)," which requires management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern for each annual and interim reporting period. If substantial doubt exists, additional disclosure is required. This new standard will be effective for the Company for annual and interim periods beginning after December 15, 2016. Early adoption is permitted. The Company adopted this new standard for the fiscal year ending December 31, 2014.

In April 2015, the FASB issued ASU 2015-3, “Interest - Imputation of Interest (Subtopic 835-30),” related to the presentation of debt issuance costs. This standard will require debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the debt liability rather than as an asset. These costs will continue to be amortized to interest expense using the effective interest method. This pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015, and retrospective adoption is required. We will adopt this pronouncement for our year beginning January 1, 2016. We do not expect this pronouncement to have a material effect on our consolidated financial statements.

**NOTE 3 – GOING CONCERN**

The Company has sustained operating losses since inception. The Company’s continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations and/or obtaining additional financing from its shareholders or other sources, as may be required.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern; however, the above condition raises substantial doubt about the Company’s ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern. For the three and nine months ending July 31, 2017 the Company incurred a net loss of $58,397 and $151,283 respectively. The accumulated deficit to July 31, 2017 is $372,870

Management is continuing exploration efforts and endeavoring to begin production activities however, may not be able to do so within the next fiscal year. Management is also seeking to raise additional working capital through various financing sources, including the sale of the Company’s equity securities, which may not be available on commercially reasonable terms, if at all.

If such financing is not available on satisfactory terms, we may be unable to continue our business as desired and operating results will be adversely affected. In addition, any financing arrangement may have potentially adverse effects on us or our stockholders. Debt financing (if available and undertaken) will increase expenses, must be repaid regardless of operating results and may involve restrictions limiting our operating flexibility. If we issue equity securities to raise additional funds, the percentage ownership of our existing stockholders will be reduced and the new equity securities may have rights, preferences or privileges senior to those of the holders of our common stock.

**NOTE 4 – LOAN FROM RELATED PARTY**

During the period from April 19, 2013 to October 31, 2015, the Company received advances totaling $24,656 from Dong Gu Kang and Min Jung Kang, the Company’s former executive officers and directors (the “Selling Stockholders”). The advance was unsecured, non-interest bearing and due upon demand giving 30 days written notice to the borrower. In connection with the Stock Purchase Agreement, dated September 30, 2015, among the Company, the Selling Stockholders and Maverick, LLC, a Nevis limited liability company (“Maverick”), pursuant to which Maverick purchased 90,000,000 shares of common stock of the Company from the Selling Stockholders, Maverick assumed $24,656 in outstanding debt owed the Selling Stockholders by the Company; constituting 100% of the debt owed the Selling Stockholders of the Company, pursuant to a Debt Assumption Agreement, dated September 30, 2015, between the Company, the Selling Stockholders and Maverick. Maverick beneficially owns 71.7% of the common stock of the Company.

On July 21, 2016 the Company entered into an agreement with Montana Mine Land Holdings LLC to acquire a 100% undivided interest of its Patented Mining Claims or the Property named: Keene Placer, M.S. located in Broadwater County, Montana. The terms of this agreement are for the Company to issue 45,000,000 shares of its common stock to Montana Mine Land Holdings LLC. The parties to have agreed the value of this purchase shall be $112,000 or $0.00248889 per share. As of July 31, 2017, the Company has not issued the shares and $112,000 is included to the existing balance of Loan from Related Party.
The balance of loan from related party as of July 31, 2017 and October 31, 2016 are both $136,706.

## NOTE 5 – NOTES PAYABLE

On September 9, 2015, the Company issued Backenald Corp. a promissory note in the principal amount of $20,000, bearing interest at the rate of 5% per annum and maturing on the first anniversary of the date of issuance. The Company may prepay any or the entire outstanding principal of the promissory note at any time without penalty and shall be accompanied by payment of the accrued interest on the amount prepaid. The promissory note automatically becomes due upon an event of default, including breach, default, bankruptcy and sale. As of July 31, 2017, accrued interest amounted to $2,211.

On November 6, 2015, the Company issued Craigstone Ltd. a promissory note in the principal amount of $20,000, bearing interest at the rate of 5% per annum and maturing on the first anniversary of the date of issuance. Also on March 22, 2016, the Company issued Craigstone Ltd. a promissory note in the principal amount of $20,000, bearing interest at the rate of 5% per annum and maturing on the first anniversary of the date of issuance and on March 27, 2017, Craigstone Ltd. was issued a promissory note in the principal amount of $12,465 bearing interest at the rate of 8% per annum. The Company may prepay any or the entire outstanding principal of the promissory note at any time without penalty and shall be accompanied by payment of the accrued interest on the amount prepaid. The promissory note automatically becomes due upon an event of default, including breach, default, bankruptcy and sale. As of July 31, 2017, total accrued interest on all promissory notes amounted to $3,717.59.

On August 31, 2016, the Company issued Success Zone Tech Ltd. a promissory note in the principal amount of $100,000, bearing interest at the rate of 8% per annum and maturing on the first anniversary of the date of issuance. The Company may prepay any or the entire outstanding principal of the promissory note at any time without penalty and shall be accompanied by payment of the accrued interest on the amount prepaid. The promissory note automatically becomes due upon an event of default, including breach, default, bankruptcy and sale. As of July 31, 2017, accrued interest amounted to $7,675.

On February 23, 2017, the Company issued Travel Data Solutions Ltd. a promissory note in the principal amount of $17,500 bearing interest at the rate of 8% per annum and maturing on the first anniversary of the date of issuance. The Company may prepay any or the entire outstanding principal of the promissory note at any time without penalty and shall be accompanied by payment of the accrued interest on the amount prepaid. The promissory note automatically becomes due upon an event of default, including breach, default, bankruptcy and sale. As of July 31, 2017, accrued interest amounted to $602.19.

On May 19, 2017, the Company issued Naccarato & Associates. a promissory note in the principal amount of $7,000 bearing interest at the rate of 8% per annum and maturing on the first anniversary of the date of issuance. The Company may prepay any or the entire outstanding principal of the promissory note at any time without penalty and shall be accompanied by payment of the accrued interest on the amount prepaid. The promissory note automatically becomes due upon an event of default, including breach, default, bankruptcy and sale. As of July 31, 2017, accrued interest amounted to $140.

## NOTE 6 – DEPOSIT ON MINERAL PROPERTY ACQUISITION

On October 1, 2014, the Company entered into a Purchase Agreement with Gold Exploration Management Services, Inc. to purchase 11 claims in Mineral County Nevada known as the Gold Creek Property (the “Gold Creek Property”). The Company paid a total of $15,000 for the purchase of the Gold Creek Property, and was reflected in the financial statements as a deposit, until such time as the ownership transferred to the Company. In September 2015, the Bureau of Land Management (“BLM”) imposed a prohibition on mining activities on 10 million acres of public and National Forest System Lands, including the Gold Creek Property, in order to protect the greater sage-grouse and its habitat from adverse effects of locatable mineral exploration and mining activities, subject to valid existing rights (the “Land Freeze”). Due to the Land Freeze, the Company has not been able to have the title to the Gold Creek Property transferred into the Company’s name or to conduct any activities on the Gold Creek Property. On October 31, 2015 the Company recorded an impairment of $15,000 due the Land Freeze.

On July 21, 2016 the Company entered into an agreement with Montana Mine Land Holdings LLC to acquire a 100% undivided interest of its Patented Mining Claims or the Property named: Keene Placer, M.S. located in Broadwater County, Montana. The terms of this agreement are for the Company to issue 45,000,000 shares of its common stock to Montana Mine Land Holdings LLC. The parties to have agreed the value of this purchase shall be $112,000 or $0.00248889 per share. As of July 31, 2017, the Company has not issued the shares and $112,000 is included to the existing balance of a non-interest-bearing Loan from Related Party.

**NOTE 7 – COMMON STOCK**

On November 17, 2015 the Company, authorized a fifteen-for-one (15:1) forward stock split of the Company's common stock, par value $0.001 per share without changing the authorized number or par value of the Common Stock and with fractional shares resulting from the Forward Split being rounded up to the nearest whole number. The Forward Split became effective on November 25, 2015.As a result of the Forward Split, the number of the Company's issued and outstanding shares of Common Stock were increased from 8,430,000 to 126,450,000. The amounts are being presented retroactive in the financial statements at July 31, 2016. As of July 31, 2017, the number of shares outstanding are 126,450,000.

**NOTE 8– SUBSEQUENT EVENTS**

In accordance with ASC 855-10, the Company's management has reviewed all material events and there are no additional material subsequent events to report.