GOLD AND SILVER MINING OF NEVADA, INC AND SUBSIDIARY

(An Exploration Stage Company)

Consolidated Financial Statements
For The Year Ended
December 31, 2013

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GOLD AND SILVER MINING OF NEVADA, INC AND SUBSIDIARY

(An Exploration Stage Company)
Consolidated Balance Sheet

December 31, 2013

		2013		2012
Assets				
Current assets:				
Cash and cash equivalents	$	176	$	4,280
Total Current Assets		176		4,280
Property and equipment, net		175		600
Total Assets	$	351	$	4,880
Liabilities and Stockholders' Deficit				
Current liabilities:				
Accounts payable	$	46,363	$	56,233
Current maturities of notes payable, net of unamortized discount		721,974		663,699
Related party notes payable		337,000		337,000
Total current liabilities		1,105,337		1,056,932
Long-term notes payable, net of current maturities				
Total Liabilities		1,105,337		1,056,932
Stockholders' Deficit:				
Preferred stock - $0.001 par value; 50,000,000 authorized; no shares issued				
Common stock - $0.001 par value; 2,000,000,000 authorized; 240,932,037 shares issued		247,682		240,932
Additional paid-in capital		2,111,676		1,636,377
Deficit accumulated during exploration stage		(3,464,342)		(2,929,361)
Total Stockholders Deficit		(1,104,984)		(1,052,052)
Total Liabilities and Stockholders' Deficit	$	351	$	4,880

See accompanying Notes to Consolidated Financial Statements.

GOLD AND SILVER MINING OF NEVADA, INC AND SUBSIDIARY

(An Exploration Stage Company)
Consolidated Statement of Operations

Year ended December 31, 2013

	2013	2012	For the period January 1, 2006 (Date of Inception) Through Sep. 30, 2013
Costs and Expenses:			
General and administrative	$ 323,464	$ 123,317	$ 1,688,801
Contract labor	6,879	470	43,088
Exploration costs:			
Vehicle and travel	4,600	13,125	128,951
Mine property field expenses	93,001	60757	392,987
Geology and engineering expenses	2,562	102,122	362,151
Total Costs and Expenses	430,506	299,791	2,615,978
Loss from Operations	(430,506)	(299,791)	(2,615,978)
Interest expense	104,475	104,475	848,365
Net Loss	**$ (534,981)**	**$ (404,266)**	**(3,464,342)**
Basic and Diluted Loss per share	**$ -**		

See accompanying Notes to the Consolidated Financial Statements.

GOLD AND SILVER MINING OF NEVADA, INC AND SUBSIDIARY

(An Exploration Stage Company)
Consolidated Statements of Stockholders' Deficit

For the Period From January 1, 2006 (Date of Inception) Through December 31, 2013

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Deficit Accumulated During the Exploration Stage	Treasury Stock Shares	Treasury Stock Amount	Total Stockholders, Deficit
Balance, January 1, 2006 (Date of Inception)	-	$ -	$ -	-	-	$ -	$ -
Services contributed by stockholder, 2006; No additional shares issued	-	-	80,000	-	-	-	80,000
Shares issued to founders	164,438,120	164,439	(164,439)	-	-	-	-
Shares issued for services to founders; 2007, $0.05 per share	3,355,880	3,356	96,644	-	-	-	100,000
Shares issued for cash; 2007; $0.00 per share	34,534,790	34,535	(34,209)	-	-	-	326
Shares issued for cash; 2007; $0.05 per share	1,677,940	1,678	81,655	-	-	-	83,333
Services contributed by stockholders; 2007; no additional shares issued	-	-	200,000	-	-	-	200,000
Shares issued for cash; 2008; $0.06 per share	1,245,031	1,245	72,955	-	-	-	74,200
Shares issued for cash; 2008; $0.50 per share	6,208,378	6,208	185,485	-	-	-	191,693
Services contributed by stockholders; 2008; no additional shares issued	-	-	100,000	-	-	-	100,000
Shares issued for cash; 2009; $0.15 per share	244,476	244	36,182	-	-	-	36,426
Services contributed by stockholders; 2009; no additional shares issued	-	-	100,000	-	-	-	100,000
Shares issued for cash; 2010; $0.15 per share	295,385	295	43,715	-	-	-	44,010
Services contributed by stockholders; 2010; no additional shares issued	-	-	100,000	-	-	-	100,000
Cash capital contributions; 2010 No additional shares issued	-	-	44,010	-	-	-	44,010
Accrued interest contributed by note holders	-	-	242,745	-	-	-	242,745
Issuance to Gold and Silver Mining of Nevada, Inc. shareholders In exchange for a note payable	258,852,037	28,852	(304,852)	-	(24,000,037)	(24,000)	(300,000)
Cumulative loss from incorporation through December 31, 2010	-	-	-	(2,242,830)	-	-	(2,242,380)
Services contributed by stockholders; 2011; no additional shares issued	-	-	100,000	-	-	-	100,000
Shares issued for services; $0.25 per share	80,000	80	19,920	-	-	-	20,000
Cash capital contributions; 2011; no shares issued	-	-	50,650	-	-	-	50,650
Accrued interest contributed by note holders	-	-	85,725	-	-	-	85,725
Net loss;2011	-	-	-	(282,265)	-	-	(262,265)
Services contributed by stockholders; 2012; no additional shares issued	-	-	100,000	-	-	-	100,000
Cash capital contributions; 2012; no shares issued	-		184,060	-	-	-	184,060
Accrued interest contributed by note holders	-	-	85,725	-	-	-	85,725
Modification of note payable for treasury stock	-	-	130,406	-	-	24,000	154,406
Net loss; 2012	-	-	-	(404,266)	-	-	(404,266)
Balance December 31, 2012	240,932,037	240,932	1,636,377	(2,929,361)	(24,000,037)	-	(1,052,052)
Cash capital contributions; no shares issued	-	-	53,524	-	-	-	53,524
Shares issued for services; $0.0267 per share	3,750,000	3,750	96,250	-	-	-	100,000
Shares issued for services; $0.05 per share	3,000,000	3,000	147,000	-	-	-	150,000
Services contributed by stockholders; 2013; no additional shares issued	-	-	92,800	-	-	-	92,800
Accrued interest contributed by note holders	-	-	85,725	-	-	-	85,725
Net loss, Year ended December 31, 2013	-	-	-	(534,981)	-	-	(284,981)
Balance December 31, 2013	247,682,037	247,682	2,111,676	(3,464,342)	(24,000,037)	-	(1,104,984)

See accompanying notes to the consolidated financial statements.

GOLD AND SILVER MINING OF NEVADA, INC AND SUBSIDIARY

(An Exploration Stage Company)
Consolidated Statements of Cash Flows

Year ended December 31, 2013

	2013	2012	For the period January 1, 2006 (Date of Inception) Through December 31, 2013
Cash Flows From Operating Activities			
Net loss	$ (534,981)	$ (404,266)	$ (3,464,342)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation expense	425	950	21,731
Amortization of debt discount	18,750	18,750	37,500
Services contributed by stockholder	92,800	100,000	872,800
Common stock issued for services	100,000	-	220,000
Accrued interest contributed by note holders	85,725	85,725	499,920
Changes in accounts payable and accrued liabilities	(9,870)	38,899	46,362
Net Cash Used in Operating Activities	97,151	(159,942)	(1,616,030)
Cash Flows From Investing Activities			
Purchase of Equipment	-	-	21,906
Cash Flows From Financing Activities			
Proceeds from notes payable	53,525	-	572,880
Proceeds from related party notes payable	-	-	337,000
Principal payments on notes payable	(14,000)	(20,000)	(34,000)
Proceeds from issuance of common stock for cash	-	-	429,988
Cash contributed by stockholder; no shares issued	53,524	184,060	332,244
Net Cash Provided by Financing Activities	93,049	164,060	1,638,112
Net Increase (Decrease) in Cash	(4,104)	4,118	176
Cash at Beginning of Period	4,280	162	-
Cash at End of Period	$ 176	$ 4,280	$ 176

See accompanying Notes to the Consolidated Financial Statements.

Note 1. Organization, Nature of Operations, Business Condition and Significant Accounting Policies

Organization – On July 30, 2010, the owners of APMD Holdings, Inc., a Texas corporation, ("APMD") entered into an Agreement and Plan of Merger whereby a newly-formed, wholly-owned subsidiary of Gold and Silver Mining of Nevada, Inc. ("CJT") was merged with and into APMD, which merger closed on August 16, 2010 (the "Merger"). As a result, APMD became a wholly-owned subsidiary of CJT and its name was changed to CJT Mining, Inc. As consideration, CJT issued 212,000,000 shares of common stock to the APMD shareholders. In addition, CJT had 28,852,037 common shares outstanding, of which 24,000,037 common shares were redeemed in exchange for a $300,000 promissory note payable to the CJT former majority shareholder. The note payable was secured by the shares redeemed, which shares are reflected as treasury stock in the accompanying consolidated financial statements.

The Merger was accounted for as a reverse acquisition. APMD was considered the accounting acquirer since the former APMD shareholders remained in control of the combined entity after the transaction. Also, the officers and directors of APMD became the officers and directors of CJT. The historical financial statements prior to the Merger are those of APMD restated for the effects of the equivalent of a 1-for-1.67794 stock split. No assets or liabilities were acquired or assumed from CJT.

Name Change – In September 2013 The Company changed its name to Gold and Silver Mining of Nevada Inc.

Consolidation – The accompanying consolidated financial statements include the operations and transactions of APMD (now CJT Mining, Inc.) for all periods presented and the operations and transactions of CJT from August 16, 2010. Intercompany balances and transactions have been eliminated in consolidation. APMD before the reorganization and CJT and CJT Mining, Inc. (formerly APMD) after the reorganization are referred to herein as "the Company."

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

Nature of Operations and Business Condition – The Company is a mineral exploration company with properties in the State of Nevada. The success of the Company is dependant on the Company's ability to obtain all necessary permits, raise sufficient financing to complete exploration of the properties, develop the properties, and obtain profitable production from the properties or obtain proceeds from the disposition of such properties. The Company's properties may be subject to changes in existing government regulations relating to mining, which may result in the withholding the issuance of required permits. The Company may be impeded in its ability to acquire surface rights sufficient to explore and operate its mineral properties. These risks may adversely affect the investment in the properties and may result in the impairment or loss of all or part of the Company's investment in the properties.

The Company is an exploration-stage company as most of its efforts have been devoted to raising capital and mineral exploration activities. At December 31, 2013, the Company had a stockholders' deficit of $1,104,984 and negative working capital of $1,105,161. At December 31, 2012 and since that date, notes payable with principal and accrued interest of $991,387 were and continue to be in default. The Company suffered losses of $534,981 during the year ended December 31, 2013 and had accumulated a deficit for the period from January 1, 2006 (date of inception) through December 31, 2013 of $3,464,342. The Company used $97,152 of cash in its operating activities during the year ended December 31, 2013 and used $1,616,029 of cash in its operating activities during the period from January 1, 2006 (date of inception) through December 31, 2013. As a result of these matters, there is substantial doubt about the Company's ability to continue as a going concern. Its ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon its ability to obtain further financing and ultimately to obtain profitable operations.

For the past three years, Brian Collins, an investor, has provided financing to the Company in the form of paid-in capital without the issuance of additional common shares. Mr. Collins has agreed to continue to fund the Company's exploration and development until the Company has developed commercially viable mining operations. However, there is no assurance that this source of funding will continue or that it will be sufficient to allow the Company to continue as a going concern. The Company will require additional financing, which if not raised, would result in the curtailment of these activities. In the foreseeable future the Company will likely remain dependent on the issuance of debt and paid-in capital to raise funds to explore its properties, and on the availability of project financing for the development of the Company's properties. The Company is seeking additional financing; however, there can be no assurance that it will be successful in obtaining such financing or on terms acceptable to the Company.

There can be no assurances that the Company's activities will be successful or that sufficient funds can be raised in a timely manner. These financial statements do not include any adjustments related to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Property and Equipment – Property and equipment consists of office equipment and is stated at cost. Depreciation is computed using the straight-line method. Estimated useful lives are 5 years. Depreciation expense for the years ended December 31, 2013 and 2012 was $425 and $950, respectively.

All costs to obtain claims to mineral properties and explore those properties for commercial mineral interests have been expensed as exploration costs. If commercial mineral reserves are identified, then from that date forward development costs incurred, including the cost to remove overburden, will be capitalized and depleted as identified reserves are extracted. Capitalized costs are evaluated annually for impairment. No costs of mineral properties have been capitalized through December 31, 2012, and therefore no impairment has been recognized through that date.

Income Taxes – At December 31, 2012, the Company has operating loss carry forwards of approximately $1,735,000 that if not used will begin to expire in 2026. Years open to audit by the Federal and state tax authorities are 2008 through 2012. There were no uncertain tax positions at December 31, 2012.

Note 2. Notes Payable

The notes payable to third parties were initiated from 2006 through 2009 and consist of eight notes. Certain of the notes were issued with common shares. The proceeds were allocated between the notes payable and the common stock based on their relative fair values. The allocation resulted in allocating $240,258 to the notes payable and $174,242 to the common stock. The resulting discount to the notes payable of $174,242 was amortized to interest expense over the term of the notes payable. Accrued interest on the notes payable of $69,437 is included in the notes payable balance as of December 31, 2012 and 2011. Two of the notes payable, for a total of $100,000, are payable to a third-party that the Company cannot locate. These two notes have been outstanding since March 2009.

The notes were not paid at their maturity dates. Interest continues to be accrued on the notes at 15% per annum but is not being asserted by the note holders; therefore, the interest that accrued during the years ended December 31, 2012 and 2011 of $47,175 and $47,175, respectively, has been recognized as a contribution to paid-in capital during each of those years. The $469,937 balance due under the notes payable is in default, is due currently and has been classified as a current liability at December 31, 2013.

On August 16, 2010, the Company issued 28,852,037 shares of common stock to the Gold and Silver Mining of Nevada, Inc. shareholders for no consideration and immediately redeemed 24,000,037 of those shares from the principal Gold and Silver Mining of Nevada, Inc. shareholder in exchange for a $300,000 promissory note. The note is secured by the shares redeemed, which are recognized as treasury stock. The note accrued interest at 10% per annum until it matured June 12, 2011. The Company did not make any payments on the note. On April 4, 2012, the Company renegotiated the terms of the note, which reduced the note payable and accrued interest to $250,000, with no interest accruing over its remaining term. The balance is payable in $50,000 increments every Year. At the date of the renegotiation, the carrying value of the note was discounted for interest imputed at 15% per annum, which resulted in an initial debt discount of $68,488. The discount is being amortized over the remaining term of the note. The unamortized discount was $49,738 at December 31, 2012. The Company paid $34,000 towards the first $50,000 payment.

The carrying amount of the notes payable approximate their fair values based on current market interest rates.

Note 3. Related Party Notes Payable

Related party notes payable were initiated during 2008 and 2009 and consist of 14 notes payable that bore interest at 15% per annum, totaling $257,000 to Russell Anderson, a shareholder and the brother of an officer of the Company. Certain of the notes were issued with common shares. The proceeds were allocated between the notes payable and the common stock based on their relative fair values. The allocation resulted in allocating $156,216 to the notes payable and $100,784 to the common stock. The resulting discount to the notes payable of $100,784 was amortized to interest expense over the term of the notes payable. Accrued interest on the related party notes payable of $80,000 is included in the related party notes payable balance as of December 31, 2013. The notes were not paid at their maturity dates. Interest continues to be accrued on the notes at 15% per annum but is not being asserted by the related party note holder. The $337,000 balance due under the related party notes payable is in default, is due currently and has been classified as a current liability at December 31, 2013.

Note 4. Assignment of Mineral Claims

In order to finance the mineral interest claim filings and exploration costs, the Company assigned a 50% interest in its mineral interest claims to Brian Collins, doing business as Collins Mining, (“Collins”) on September 28, 2010. As a result, the Company will only recognize 50% of the revenue from any mining production that may occur in the future from the mineral interest claims and the Company will bear its share of the exploration, development and production costs.

In addition, the Company billed Collins and Collins paid the Company $53,524 for the Year ended December 31, 2013 and $44,010, $50,650 and $184,060 during the years ended December 31, 2010, 2011 and 2012, respectively, for exploration costs incurred in his behalf. The Company has not recognized income from these payments received because substantial uncertainty exists about the recovery of the costs applicable to the mineral interests retained by the Company and because Collins is a shareholder in the Company. The amounts received from Collins have been reflected as additional paid-in capital without the issuance of additional shares.

Note 5. Legal Action

In 2007, an arrangement was entered into with Praesidium Professional Liability Insurance Company whereby our wholly-owned subsidiary, CJT Mining, Inc. (then known as APMD Holdings, Inc.) was to issue preferred stock in exchange for an ownership interest in Praesidium. The transaction was never consummated, and the preferred stock was never issued. In 2012, Praesidium initiated a law suit for which the Company has filed a statement of defense that an agreement was never reached for the stock exchange. The Company believes it has adequate defenses and intends to vigorously defend against the claim.

Note 6. Subsequent Event

On February 10, 2014 the Company entered into an agreement whereby it will sell up to 100,000,000 Class “A” common shares to Bonanza Mines, Inc. for a 25% interest in a $50,000,000 Promissory Note issued by the Colindo Trust; plus additional consideration of a 50% interest in the following properties:

(a) a Pilot Mill and a Metallurgical Processing and Production Lab and Facility to be built in, and/near Bullhead City, (Mohave County) Arizona, which includes an approximate 1,000 tons of high grade precious metal ore that will be shipped in for processing. This Property is also referred to as the “Gold Star Production Facility”;

(b) mineral claims in, and/or near Lake Havasu, (Mohave County) Arizona which resides on 2,000 acres (the ”Calzona Mines”).

(c) mineral claims in, and/or near Quartzite, (La Paz County), Arizona, which resides on 1,000 acres (the “Gold Nugget Mine”); .

(d) mineral claims in, and/or near Goldfield, (Esmeralda County), Nevada, which resides on 3,300 acres (the “Bonanza Mine”);

(e) Mineral claims in, and/or near Baker, (San Bernardino County), California, which resides on 2,200 acres (the "Gold King Mine")

(f) mineral claims in, and/or near Randsburg, (Kern County), California, which resides on 1,200 acres (the "Black Stone Mine").

Shares shall be issued as per the following schedule:

(a) 34,000,000 In February 2014;

(b) 33,000,000 after transfer of the above noted properties a – f;

(c) 11,000,000 upon the Company receiving $11,000,000 from any combination of the receipts on the Promissory note, funds directly invested by Bonanza and net mining revenues earned on the above properties; and

(d) 22,000,000 upon the Company receiving $61,000,000 from any combination of the receipts on the Promissory note, funds directly invested by Bonanza and net mining revenues earned on the above properties