

ENSURGE, INC.

Trading Symbol: ESGI

Company Information and Continuing Disclosure Statement,

for the

Quarter Ending March 31, 2017

ENSURGE, INC.

Information and Disclosure for the period ending March 31, 2017

Formerly a “reporting” company, the Company now voluntarily reports information through the OTC Markets platform. This document constitutes part of the Company’s voluntary reporting and should be read in conjunction with other filings by the Company.

FORWARD LOOKING STATEMENTS

This periodic disclosure contains forward-looking statements. To the extent that any statements made in this report contain information that is not historical, these statements are essentially forward looking. Forward-looking statements can be identified by the use of words such as “expects”, “plans”, “may,”, “anticipates”, “believes”, “should”, “intends”, “estimates”, and other words of similar meaning.

These statements, as well as the Company, are subject to risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, marketability of our products; legal and regulatory risks associated with being a publicly traded company; our ability to raise additional capital to finance our activities; the effectiveness, profitability and sustainability of operations; the future trading of our common stock; our ability to operate as a public company; our ability to protect any proprietary information we own or may develop; general economic and business conditions; the volatility of our operating results and financial condition; our ability to attract or retain qualified senior management personnel and research and development staff; operating mining activities in foreign jurisdictions; expansion into various geographic locations of mine exploration and operations; and other risks detailed from time to time in our filings with the OTC Markets (the “OTC”), or otherwise.

Information regarding relevant markets and industry contained in this report is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not undertake any obligation to publicly update any forward-looking statements.

As a result, of all of the foregoing, shareholders and investors should not place undue reliance on these forward-looking statements.

1) Name of the issuer and its predecessors (if any) within the past five years

Ensurge Inc. (6/2000 to current)

2) Address of the issuer's principal executive offices

201 E. Main Street, Little Chute, Wisconsin 54140

Phone: 920-415-6214

Email: info@ensurgeinc.com

Website: www.ensurgeinc.com

IR Contact - N/A

3) Security Information

Trading Symbol: ESGI

Exact title and class of trading securities: Common Stock

CUSIP: 293596300

Par or Stated Value: \$.001 Common Stock
\$.001 Class A Preferred Stock

Total shares authorized as of: 3/31/2017: 500,000,000 Common
2,500,000 Class A Preferred

Total shares outstanding as of: 3/31/2017: 288,032,021 Common
546,740 Class A Preferred

Transfer Agent

Pacific Stock Transfer, 6725 Via Austi Pkwy, Las Vegas, Nevada 89119
(702) 361-3033 through June 12, 2017.

VStock Transfer, 18 Lafayette Place, Woodmere, NY 11598. (212)-828-8436

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No:

Restrictions on the transfer of security: None

Trading suspension orders issued by the SEC in the past 12 months: None

Any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization within the past 12 months or currently anticipated:

The Company completed acquisition of North American Resources Inc. Ltd. in 2015.

4) Issuance History of Stock, Options and Warrants.

During the past two fiscal years, the Company issued common stock as follows:

<u>Date</u>	<u>Number of Shares</u>	<u>Purpose/Recipients</u>
2015		
March	6,319,250	Management and Acquisition Agreement of North American Management Inc. Ltd (“NARIL”).
	1,000,000	For funding provided to NARIL
	100,000	For investment of \$1,000.
	500,000	For investment of \$5,000.
	500,000	For investment of \$5,000.
April 2	400,000	For investment of \$4,000.
July	100,000	For financial assistance relating to acquisition of KC3 assets.
	100,000	For financial assistance relating to acquisition of KC3 assets.
October 1	6,350,000	Shares issued to twelve persons and entities for the acquisition of KC3 mining assets.
20	1,000,000	For \$164,000 investment in a Royalty Agreement.
	6,800,000	For \$135,000 investment.
	1,250,000	For \$25,000 investment.
27	2,000,000	For management incentive.
	500,000	For management incentive.
	500,000	For services as an officer.
	500,000	For services as an officer.
Nov 12	4,000,000	Exercise of warrants
	1,000,000	Conversion of debt
	500,000	For services rendered by a Director
15	8,800,000	For investment in Private Placement (May-June)
		Also, warrants to purchase 4,400,000 shares were included.
December		
1	500,000	Pursuant to \$25,000 per month Funding Agreement
7	1,600,000	Exercise of Warrants
2016		
April	500,000	Funding Agreement
May	5,000,000	Conversion of Class A Preferred by Clint Mishleau.
	(5,000,000)	Cancellation of shares issued pursuant to promissory note.
June	500,000	Funding Agreement
July	3,500,000	Conversion of Class A shares by Tidbits LLC.
	1,000,000	Tidbits monthly funding.
	1,000,000	Shareholder conversion of Class A shares.
	200,000	November 2015 investment recognition.
	2,500,000	For investment of \$50,000.
	2,500,000	For investment of \$50,000.
	500,000	Consulting services.

August	4,000,000	Acquisition of mining claims.
	100,000	Management shares - Brad Hornick.
	10,000,000	For \$500,000 loan by CAG Ventures.
	509,459	Debt conversion.
Sept	5,000,000	Conversion of Class A shares by shareholder.
	2,500,000	For investment of \$12,500.
	2,500,000	For investment of \$12,500.
	(5,000,000)	Cancellation of shares issued pursuant to promissory note.
	(5,000,000)	Cancellation of shares issued pursuant to promissory note.
	100,000	Management compensation.
	100,000	Management compensation.
	100,000	Management compensation - Brad Hornick.
	200,000	Consulting services.
	16,000,000	Conversion of Class A shares by Charles Gargano.
	45,126,000	Conversion of Class A shares by Clint Mishleau.
October	45,700,000	Conversion of Class A shares by Chad Mishleau.
	4,000,000	Badger Mining Acquisition
	2,500,000	Conversion of Class A shares by Chad Mishleau.
	500,000	Consulting services.
November	1,000,000	for investment of \$40,000.
December	250,000	Investment of \$17,500.
	125,000	Investment of \$8,750.
January	5,000,000	Investment of \$350,000
February	1,428,571	\$100,000 of \$400,000 Dorman Funding Agreement
	714,286	\$50,000 of \$400,000 Dorman Funding Agreement
March	500,000	Investment of \$35,000
	2,142,856	\$150,000 of \$400,000 Dorman Funding Agreement

The Company has authorized 2,500,000 shares of Class A preferred stock. These shares have no dividend or liquidation rights, but convertible to common on a 100 to 1 basis and carries 100 votes per share. The Company has issued and canceled the following shares of Class A preferred stock during the years 2015 and 2016:

3/2015	750,000	Management incentive for Director/CEO.
	750,000	Class A Preferred as Management incentive to COO of subsidiary.
	100,000	Class A Preferred as Management incentive to Director.
12/2015	10,000	Private purchase for \$50,000.
1/2016	10,000	Monthly funding agreement.
2/2016	10,000	Monthly funding agreement.
3/2016	10,000	Monthly funding agreement.
3/2016	140,000	Investment of \$325,000.
4/2016	5,000	Monthly funding agreement.
5/2016	(50,000)	Conversion to common shares by Clint Mishleau.
7/2016	(35,000)	Conversion to common shares by Tidbits LLC.
7/2016	(10,000)	Conversion to common shares by shareholder.

9/2016	(50,000)	Conversion to common shares by shareholder.
9/2016	(451,260)	Conversion to common shares by Clint Mishleau.
9/2016	(457,000)	Conversion to common shares by Chad Mishleau.
9/2016	(160,000)	Conversion to common shares by Charles Gargano.
10/24	(25,000)	Conversion to common shares by Chad Mishleau.

In addition to the foregoing, the Company also issued the warrants to purchase shares of common stock as follows:

Date	Event	Shares	Price	Warrant Duration
5/2015	Stock purchase	850,000	\$.10	3yrs
	Stock purchase	325,000	\$.10	3yrs
	Loan	1,000,000	\$.08	3yrs
10/2015	Financial assistance from NARIL Investors	1,012,450	\$.08	5yrs
	Private Placement	3,400,000	\$.10	3 yrs
	\$164,000 Royalty Agr	2,500,000	\$.05	3 yrs
	Stock purchase	650,000	\$.10	3yrs
11/2015	Private Placement of Units	4,400,000	\$.10	3yrs
12/2015	Funding Agreement	250,000	\$.05	3 yrs
	Preferred stock purchase	500,000	\$.05	3 yrs
1/2016	Funding Agreement	500,000	\$.05	3 yrs
2/2016	Funding Agreement	500,000	\$.05	3 yrs
3/2016	Funding Agreement	500,000	\$.05	3 yrs
3/2016	Private Investment	500,000	\$.05	3 yrs
		1,000,000	\$.10	3 yrs
		2,000,000	\$.20	3 yrs
4/2016	Funding Agreement	250,000	\$.05	3 yrs
5/2016	Funding Agreement	250,000	\$.05	3 yrs
6/2016	Funding Agreement	250,000	\$.05	3 yrs
7/2016	Funding Agreement	500,000	\$.05	3yrs
	\$50,000 investment	1,250,000	\$.06	3yrs
	\$50,000 investment	1,250,000	\$.06	3yrs
8/2016	Charles Gargano funding	2,000,000	\$.10	4yrs
	Charles Gargano funding	2,000,000	\$.15	4yrs
11/2016	\$25,000 investment	125,000	\$.14	3yrs
12/2016	\$140,000 loan from management	1,375,000	\$.10	3yrs
12/2016	\$17,500 investment	67,500	\$.14	3yrs
1/2017	\$350,000 investment	2,500,000	\$.14	3yrs
	Consulting Warrants	9,428,339	\$.029	3yrs
2/2017	Dorman Funding Agreement	714,286	\$.14	3yrs
	“ “ “	357,143	\$.14	3yrs
3/2017	\$35,000 investment	250,000	\$.14	3yrs
	Dorman Funding Agreement	1,071,428	\$.14	3yrs

None of the foregoing issuances of stock or warrants were registered in any jurisdiction.

Whether the certificates or other documents that evidence the shares contained a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act: Yes.

5) Financial Statements

The Company's un-audited financial statements for the period ending March **31, 2017** are attached hereto <http://www.otcmarkets.com> and are incorporated herein by reference.

6) Description of the Issuer's Business, Products and Services

(a) General Development of Business

History of Ensurge, Inc.

The Company was incorporated under the name Sunwalker Development, Inc. in the State of Utah on March 28, 1985, and was subsequently re-incorporated in Nevada on September 14, 1999. The Company was originally formed for the purpose of providing a business framework within which capital could be raised and business opportunities, with profit potential, could be sought. From the period of inception through 2010, the Company's business operations were unsuccessful and the Company turned its focus to mining in 2010.

The Company is engaged in the development of mineral properties for which it holds exploration rights, in the Guyana region of South America. These mineral rights include gold, precious metals and in one property Tantalite, which is a rare earth element.

The Company has been involved with pilot and exploration operations in Guyana since 2011. These operations were in the Mazaruni River region. Ensurge was a public company with an interest in mining in Guyana. The principle players of the company reached out to the principles of TransGlobal Gold Corporation. Two of the principles of TransGlobal, namely, Chad Mishleau and Clint Mishleau, currently two of our executive officers and directors, have a family history of mining in Guyana since 1993 through their grandfather's (Jack Paulsen) operations in a company called North American Resources, Inc., Ltd. (NARIL). TransGlobal was able to raise some initial capital to acquire some land and equipment to start mining operations in 2013. The Company initially acquired 80% of TransGlobal Gold Corporation so it could gain a foothold in the then operating mining operations in Guyana. These operations were on the Mazaruni River area near the village of Issano, but were a different property than the property we later mined on the same river. At the end of 2013, Messrs. Chad and Clint Mishleau took control of NARIL and its river operations on the Konawaruk River in Guyana. Effective October 2015, the Company entered into a definitive agreement to acquire 100% of the common stock of NARIL. Historical operations of NARIL have produced over 40,000 ounces of gold since being established in Guyana in 1993. Effective March 8, 2015, the Company entered into an agreement pursuant to which it purchased the remaining 20% equity of TransGlobal. Since acquiring TransGlobal, all the assets of TransGlobal are now owned either directly by the Company or by NARIL. In April 2016, TransGlobal was then transferred to Clint Mishleau for nominal consideration.

During the first quarter 2017, we had active operations in Guyana from our 100% ownership of NARIL, Badger Mining Incorporated and KC3 Incorporated, our local operating companies in Guyana. Badger Mining and KC3 were acquired in 2016 at a cost of \$320,000 and \$220,000, respectively.

(b) Description of Registrant's Plan of Operations

The Company currently has interests in several gold mines and one rare earth mining project in Guyana which are detailed herein.

The Company's subsidiary, NARIL, has conducted gold mining operations on the Konawaruk River for over 15 years, operating two cutterhead dredges. The licensing rights to this project and our two operating cutterhead dredges were sold in the second quarter of 2017 to a non-affiliated party in exchange for relinquishment of debt of approximately \$129,000 and return of 600,000 shares of common stock.

We are currently seeking to obtain funding of over an estimated \$14 million to mine our five main properties, four of which are in Guyana and one of which is in Kingman, Arizona. These projects are briefly summarized below:

- (1) Project C555. Ensurge's project in Guyana at its Kaburi mines is named C555 and will be managed by our Guyana subsidiary, Badger Mining. This project needs approximately \$1.1 million to commence gold mining operations on roughly 3,000 acres and an additional \$1.4 million to purchase all the desired gold mining equipment for a total of \$2.5 million. This property is owned by a non-affiliated person and we pay royalties of 10% once production commences. We paid initial licensing fees of \$5,000 and an advanced royalty of an additional \$20,000. We paid \$4,000 at the beginning of each calendar year to renew our rights for one site on the property. The rights are perpetual so long as work commences on the site by December 31, 2017. The Kaburi property is strategically located on a main road. Thus, the Company can transport labor and supplies to the camps by trucks from Georgetown. Additionally, with the location only five hours from the mining gateway city of Bartica, the Company expects to lower its mining costs through a reduction in transportation and fuel costs. The property has significant water running through the current sites of interest.
- (2) Project C563. This project located in Central Guyana measures roughly 320 acres and can be used to mine gold and diamonds. This project will be managed by our Guyana subsidiary, Badger Mining, Inc. This project needs approximately \$1.3 million to commence gold and diamond mining operations. This property was also acquired from a non-affiliated person in exchange for forgiveness of \$35,000 in debt. This property is perpetual so long as we pay a nominal annual fee to the Guyana government. No royalties are due and payable on this project.
- (3) Property D-29. This property is located in Northern Guyana and measures roughly 10,000 acres to mine for tantalite, rare earths and to a lesser extent, gold. This project will be managed by our Guyana subsidiary, KC3 Mining. The Company has established base camps on the D-29 property for testing purposes only, without any substantial equipment located at the site. This project costs us approximately \$150,000 in fees to the Guyanese government, including economic study and geology reports. These fees were advanced by a stockholder of our company in exchange for a 5% royalty. We also are required to pay the Guyana government a nominal annual fee to maintain a perpetual license. This project needs approximately \$5 million

to commence full scale tantalite and rare earth mining operations. There is no time specific for commencement of mining operations.

- (4) Project M623. This project located in Central Guyana measures approximately 1,000 acres and can be used to mine hard rock gold, alluvial gold and diamonds. This project will be managed through the Guyana subsidiary, Badger Mining, Inc. This project needs approximately \$2,400,000 to commence mining. This property was acquired from a non-affiliated person in exchange for a 10% royalty and \$25,000. A minimum royalty of \$10,000 per year must be paid, plus the Company is required to pay nominal annual fees to the Guyanese government to maintain a perpetual license.
- (5) Property C.O.D. Mine. This project is located in the outskirts of Kingman, AZ. This project measures roughly 20 acres. This project needs approximately \$3.5 million to fund initial mining operations with primary minerals being sought consisting of gold, silver and lead and secondary minerals consisting of zinc and copper. This property was acquired from a non-affiliated person at an approximate cost of \$300,000. There are no royalties to be paid on this mine.

Expansion of Mazaruni River Operations

On November 12, 2015, the Company announced that it had entered into a Joint Venture with Ophir Group, Inc. (“Ophir”). In November 2015, the Company entered into a royalty agreement for mining operations at the Mazaruni location. The Agreement calls for a 90% royalty on gold production paid to us for a period of ten years. In addition to providing consulting services, Ophir searches out strategic investment opportunities within the mining industry. Pursuant to the agreements, Ophir provided \$135,000 project capital in exchange for a 10% royalty on gold production. The JV project, which is referred to as Banu 1, consists of twelve Banu mining claims consisting of about 324 acres near the Issano creek on the Mazaruni river. With the capital provided by Ophir, the Company completed excavator repairs that were necessary to get Banu 1 into production. This royalty agreement has since been exchanged for future mining claims. At the present time, the Banu project is on permanent hold as there is a severe draught that makes mining this property not feasible. While there is a drought existing at the time the joint venture agreements were entered into, we expected a rainy season to commence in December 2015. However, what occurred was a continuing drought and there has been no significant change in the drought condition since the joint venture was entered into by us.

OVERVIEW ON GUYANA AND TANTALITE

About Guyana

Guyana is a prolific gold producing country on the Northeast coast of South America, bordered by Brazil and Venezuela. It is an English speaking nation with a legal system based on British common law. It gained independence in 1966 from Great Britain, it is a member of the Commonwealth Nations and shares excellent relations with the USA. Guyana is a valuable place for mining operations for the following reasons:

- Guyana has a treasure trove of natural resources including gold, bauxite, and diamonds. Guyana is seeking large scale investors for development of its mineral resources particularly from the United States

- Guyana produced an estimated 451,490 ounces of gold [declared] in the year 2012 and 200,000 carats of diamonds [declared] in 2016.
- Guyana offers only a 5% royalty charge from the government on gold production.
- Gold is easily exported once it has registered with the Guyana Gold Board and royalties have been paid.
- Guyana's Gold is recovered primarily by placer operations, land plants and river dredging barges.
- Mining projects in Guyana can go from prospecting to production within six months. We look for projects that meet certain criteria of accessibility and location so we are able to know our cost per ounce of gold before we move in with production scale equipment.

About Tantalite

D-29 is a project to mine tantalite and other rare earths. Tantalite is a rare, dense black mineral consisting of mixed oxide of iron and tantalum of which it is the main source while tantalum is a strong ductile metal that is immune to chemical attack at room temperature. Tantalite has a hardness of 6 (six) and density varies from 7 to 8. The density varies from chemical makeup and impurities. The higher the tantalum content the greater the density would be. The only important tantalum ore mineral is tantalite. Tantalite forms a series with the mineral columbite. Columbite is a black mineral group that is an ore of niobium. Tantalite is more tantalum rich and has a series of its own. Tantalite difference from columbite is it has a much greater gravity than columbite. Tantalite is used as an ore of tantalum and niobium and as mineral specimen.

Tantalum is a hard, grayish blue, metallic element. It has a high melting point and is used as a substitute for platinum which is more expensive. Tantalum was discovered in 1802 and its commercial use began in 1903. Tantalum is mostly found with the element niobium. These two elements are so similar it is very difficult to separate from one another. Tantalum is recovered from ore minerals such as columbite and tantalite. It is used to make components for chemical plants, nuclear power plants, airplanes and missiles. Tantalum does not react to bodily fluids nor does it irritate the body and so it is used to make surgical equipment, structures and implants, such as artificial plates and carinal plates. It is also used to make a glass with a high index of refraction that is used in camera lenses.

The tantalite ore price is around \$130.00 USD/Kg. The ores can be found in such locations as Australia, Brazil, Mozambique, Thailand, Portugal, Nigeria, Zaire, Canada, Rwanda, and the Democratic Republic of the Congo.

Trading can carry great risk, especially when ensuring that no part of the trade supply chain is involved in any illegal or unlawful act. A major challenge in trading the metal is ensuring each and every trade is legal. It should not be linked in any way with terrorist, criminal or proceeds with war activities. Such dealing can be unlawful under different acts, such as, Money Laundering Act and Proceeds of Crime Act. Two of the most important rare metals in use today is niobium and tantalum. Any trading in these commodities can cause serious risk, mainly because they are not so well known and also because they are not traded on any metal exchange. Niobium and tantalum ore are being processed and smelted in countries other than those in which they are mined. Ensuring the trading is legal at all times it can be difficult. In trading they should always maintain close and secure procedures, since it has traditionally been sensitive to criminal deception.

COMPETITION, MARKETS, REGULATION AND TAXATION

Competitive Conditions

There are competitors in the gold mining industry with far greater resources, financial and marketing sources, which might compete with the Company.

Mineral Markets

Sale of gold products are market driven. The market-place of gold directs the sales values of all gold products mined. We will sell gold products mined to the Guyana Gold Board, which pays us 95% of the London Fixed Price for gold. With regard to diamonds that we mine, we are allowed to keep and sell them. However, we pay a fee of \$6.00 per karat to the Guyana government. Also, all sales of diamonds, both inside and outside the country, must be executed through a Guyana licensed diamond broker. As for government rules and regulations pertaining to royalties on tantalite and other rare earths, these regulations and royalties are being developed by the Guyana government and they have welcomed our participation in these discussions so that the royalties paid are fair to all parties.

Regulation

We are bound by the Mineral Rules and Regulations of Guyana, which vest ownership in all minerals located on the lands of Guyana to Guyana. These rules and regulations include, without limitation, who can mine a property, the requirement that licenses or permits be granted, retention of minerals, payment of taxes on royalties and minerals, such as gold, must be sold back to the government of Guyana. Management believes that we are in full compliance with all rules and regulation of Guyana.

Border Dispute

Guyana has a risk of border dispute with neighboring Venezuela. The border dispute was settled in 1899 in international arbitration between Venezuela and Great Britain who controlled British Guiana (then Guyana). Recently the majority of the world supported Guyana and agreed to support Guyana in any dispute. However, there is assertion of authority from Venezuela.

There is risk that lands may be turned over to First Nation peoples in Guyana. When this happens current land owners receive properties elsewhere, but these new lands are not always viable.

Employees

The Company has 12 full time employees and two part-time employees employed in Guyana as of May 10, 2017. The foregoing excludes the Company's executive officers.

A. Date and State (or Jurisdiction) of Incorporation:

Incorporated March 28, 1985 in Utah, changed domicile to Nevada September 14, 1999.

B. The issuer's primary and secondary SIC Codes:

1041 (gold ores); and 212221 (gold ore mining)

C. The issuer's fiscal year end date: December 31.

D. Principal products or services, and their markets:

The Company is a holding company for exploration and mining activities and operations, primarily in Guyana, South America. Targeted materials include gold, silver, diamonds, and tantalite. (See above.)

7) Describe the Issuer's Facilities

The Company does not own any facilities. It does, however, rent or lease office space, as needed, both in Guyana and in the United States. Because the Company's mining activities take place on-site in the interior of Guyana, small rentals/leases for executive functions are currently sufficient for the Company.

8) Officers, Directors, and Control Persons

A. Names of Executive Officers, Directors, and Control Persons.

Clint Mishleau (Director and CEO). Clint Mishleau, age 34, is a fourth generation gold miner and entrepreneur. He obtained his Associates Degree in Marketing with an emphasis on business from Northeast Wisconsin Technical School in Green Bay, Wisconsin in 2005. His entrepreneurial spirit led him into the areas of real estate speculation, gold and diamond trading, and the retail music industry, where he successfully acquired and operated multiple retail music stores before consolidating and selling them. In 2010, Mr. Mishleau co-founded NorCal Placer, Co., which acquired and operated several gold claims in Northern California. He was responsible for the executive oversight of several dozen discoveries, of which six were significant historic producers. In 2012, Mr. Mishleau co-founded Transglobal Gold Corp where he focused all of his efforts in gold and diamond exploration and prospecting in Guyana and served as its director and CEO. In March 2015, the Company completed acquisition of all Transglobal Gold Corp mining and business activities. Mr. Mishleau currently serves as a director and CEO of the Company.

Chad Mishleau (Director & COO). Chad Mishleau, age 38, is a fourth generation gold miner and entrepreneur. He grew up in the gold mining business while working with his grandfather. Aside from his twenty-five years in the mining industry, Mr. Mishleau worked as a farm manager of 400+ head of cattle, and worked in the farming and oil industries. In 2010, Mr. Mishleau founded NorCal Placer, Co., which acquired and operated several gold claims in Northern California. He was responsible for the operational oversight of several dozen discoveries of which, six were historically significant producers. During his career in mining, he has worked on alluvial operations, dredging and drift mining; plus conducted exploration work on historical hard rock mines. In 2012, Mr. Mishleau co-founded Transglobal Gold Corp with his

brother Clint and focused all of his efforts in gold and diamond mining in Guyana. He moved to Guyana in 2012 to live and direct operations there for Transglobal at several mining locations. He has also provided consulting services for various companies in Guyana and West Africa. With all operations of Transglobal Gold Corp now being owned by the Company, and with the expansion of property acquisitions and operations in Guyana over the past year, Mr. Mishleau heads all operations in Georgetown and in the field.

Paul Cinquemani (Sr. Vice President). Mr. Cinquemani, age 71, obtained his Master's degree in Business Administration from George Washington University. Additionally, he holds a Master's Degree in Business Administration from the George Washington University and a CPA certificate in the state of Wisconsin. Over his career of more than 40 years, he has advised numerous businesses through phases of initial capitalization and rapid growth. His background in tax and auditing at Arthur Andersen & Co. and his experience as a tax manager with KPMG prepared him for his roles as CFO and then CEO of healthcare organizations in the rapidly expanding and capital-intensive healthcare industry of the 1980's and 1990's. He continued his career advising and helping many other tax exempt and for-profit entities achieve revenue growth and profitability in the services industry. His experience base includes both service organizations and manufacturing. He most recently served as a director of the National Association of Tax professionals.

Adam Falkoff – (director). Mr. Falkoff is a seasoned political veteran with over 20 years of experience in public policy, international relations, and business. He has advised CEO's of the Fortune 100, Presidents, Prime Ministers, Cabinet Ministers and Ambassadors. As President of Capitalkeys, currently the top Global Public policy firm in Washington D.C., Mr. Falkoff as an outside strategic advisor, he assisted President Trump with the transition team and advised the then President-elect on Cabinet appointments. He was recently named in the Power 100, a guide to the most influential persons in Washington, D.C. by Washington Life Magazine along with such notables as Ivanka Trump and Jared Kushner, Barack Obama, Bill Marriott, David Rubenstein, Jeff Bezos, Jim Young Kim, and Christine Lagarde. Mr. Falkoff received a B.A. from Duke University and both an M.B.A. and M.I.M. (Master of International Management) from the Thunderbird School of Global Management on an academic scholarship. He also participated in the Postgraduate Programme of the School of Mining Engineering at the University of Witwatersrand, Johannesburg, South Africa known as the world's preeminent institution in the field of international mining and mining studies.

B. Legal/Disciplinary History. Whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses): None.
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred,

suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities: None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated: None.
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities: None.

C. Management and Beneficial Shareholders (5% or more voting at December 31, 2016)

The following table sets forth the ownership of our common stock by each person known by us to be the beneficial owner of more than 5% of our outstanding common stock as a group as of June 21, 2017. There are not any pending arrangements that may cause a change in control. The information presented below has been presented in accordance with the rules of the SEC and is not necessarily indicative of ownership for any other purpose.

A person is deemed to be a "beneficial owner" of a security if that person has or shares the power to vote or direct the voting of the security or the power to dispose or direct the disposition of the security. A person is deemed to own beneficially any security as to which such person has the right to acquire sole or shared voting or investment power within 60 days through the conversion or exercise of any convertible security, warrant, option or other right. More than one person may be deemed to be a beneficial owner of the same securities. The percentage of beneficial ownership by any person as of a particular date is calculated by dividing the number of shares beneficially owned by such person, which includes the number of shares as to which such person has the right to acquire voting or investment power within 60 days, by the sum of the number of shares outstanding as of such date plus the number of shares as to which such person has the right to acquire voting or investment power within 60 days. Consequently, the denominator used for calculating such percentage may be different for each beneficial owner.

Name and Address (1)	Amount and Nature of Beneficial Ownership (3)	Percentage of Class (2)
Chad Mishleau (4)	54,000,000	18.5%
Clint Mishleau (4)	41,961,715	14.4%
Paul Cinquemani	13,975,000	4.8%
Adam Falkoff (5)	500,000	*
Charles A Gargano (6)	58,699,166	18.3%
Roger and Angela Dorman (7)	38,341,000	12.3%
All Officers and Directors as a group (four persons) (8)	110,436,715	37.2%

* Owns less than 1%.

- (1) The address for the person named in the table above is c/o the Company.
- (2) Based on 288,317,736 common shares outstanding as of the date of this report.
- (3) Includes shares of preferred stock convertible on the basis of one share of preferred stock into 100 shares of common stock held by Paul Cinquemani (100,000 shares of Series A Preferred Stock) and Tibits LLC beneficially owned by Roger and Angela Dorman (96,340 shares of Series A Preferred Stock).
- (4) Includes warrants to purchase 4,000,000 shares of common stock.
- (5) Includes options to purchase 500,000 shares of common stock which are vested.
- (6) Includes warrants to purchase 8,033,333 shares of common stock, 4,000,000 shares of common stock underlying convertible debt and 20,000,000 shares of common stock underlying preferred stock owned by Mr. Gargano.
- (7) Includes 9,640,000 shares of common stock convertible under shares of preferred stock and 14,407,000 common shares underlying outstanding warrants.
- (8) See footnotes (4) through (5).

9) **Third Party Service Providers**

Legal Counsel: Steve Morse, Morse & Morse PLLC, 1400 Old Country Road, Suite 302, Westbury, NY 11590; Phone 516-487-1446.

Investor Relations Consultant: (NA)

Other Advisor: (NA)

10) **Issuer Certification**

I, Clint Mishleau certify that:

1. I have reviewed this Periodic Disclosure Statement of Ensurge, Inc. for the period ending March 31, 2017;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Effective July 12, 2017.

/s/ Clint Mishleau
Chief Executive Officer

ENSURGE, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIODS ENDED

MARCH 31, 2017 AND DECEMBER 31, 2016

ENSURGE, INC.
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2017 AND DECEMBER 31, 2016

	MARCH 31, 2017	DECEMBER 31, 2016
ASSETS		
Current Assets		
Cash	\$ 115,334	\$ 85,894
Accounts Receivable	66,096	54,148
Precious Metals	23,494	23,494
Total	<u>204,924</u>	<u>163,536</u>
Fixed Assets (Net)	1,191,909	1,227,189
Other Assets		
Land	620,500	420,500
Mining Claims and Mining Properties	178,474	60,000
Mining Development Costs	147,778	147,778
Other Assets	9,732	9,587
Total Other Assets	<u>956,484</u>	<u>637,865</u>
Total Assets	<u>\$ 2,353,317</u>	<u>\$ 2,028,590</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Trade Accounts Payable	\$ 541,806	\$ 480,268
Accrued Liabilities - Related Party	97,000	147,000
Accrued Interest Payable	128,435	106,303
Taxes Payable	8,275	8,275
Convertible Notes Payable Net of Debt Discount	473,559	420,678
Notes Payable - Related Party	88,451	92,677
Notes Payable	245,540	247,227
Royalty Agreement Liability	204,606	147,108
Debt Derivative Liability	723,905	434,884
Warrants Derivative Liability	879,716	847,285
Total Current Liabilities	<u>3,391,293</u>	<u>2,931,705</u>
Stockholders' Deficit		
Preferred Stock, \$.001 Par Value, 10,000,000 Shares Authorized		
2,500,000 Shares Designated A Shares, 546,740 Shares Outstanding	547	547
Common Stock, \$.001 Par Value, 500,000,000 Shares Authorized,		
288,032,021 and 277,288,435 Shares Issued and Outstanding	288,032	277,288
Additional Paid in Capital	63,319,613	61,639,644
Stock Subscription Receivable	(100,000)	-
Accumulated Deficit	(64,546,168)	(62,820,594)
Total Stockholders' Deficit	<u>(1,037,976)</u>	<u>(903,115)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 2,353,317</u>	<u>\$ 2,028,590</u>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

ENSURGE, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS PERIODS ENDED

	THREE MONTHS ENDED MARCH 31, 2017	THREE MONTHS ENDED MARCH 31, 2016
GOLD SALES	\$ 511,972	\$ 76,200
COST OF MINING OPERATIONS	<u>603,152</u>	<u>151,200</u>
LOSS FROM MINING OPERATIONS	(91,180)	(75,000)
GENERAL AND ADMINISTRATIVE EXPENSES	<u>302,694</u>	<u>98,443</u>
NET OPERATING PROFIT/ (LOSS)	(393,874)	(173,443)
OTHER NON OPERATING INCOME/EXPENSES		
Warrant Issued Expense	(1,044,617)	(61,570)
Derivative Gain/(Loss)	(188,581)	164,077
Interest Expense	<u>(98,502)</u>	<u>(7,917)</u>
Net Non Operating Income/Expenses	<u>(1,331,700)</u>	<u>94,590</u>
NET PROFIT/(LOSS) BEFORE TAXES	(1,725,574)	(78,853)
TAXES	<u>-</u>	<u>-</u>
NET PROFIT/(LOSS)	<u>\$ (1,725,574)</u>	<u>\$ (78,853)</u>
Basic Earnings (Loss) Per Common Share	\$ (0.0060)	\$ (0.0005)
Basic Weighted Average Common Shares Outstanding	285,793,926	134,777,976
Diluted Earnings (Loss) Per Common Share	\$ (0.0060)	\$ (0.0005)
Diluted Weighted Average Common Shares Outstanding	285,793,926	134,777,976

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

ENSURGE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED

	THREE MONTHS ENDED MARCH 31, 2017	THREE MONTHS ENDED MARCH 31, 2016
Cash Flows from Operating Activities		
Net Income (Loss)	\$ (1,725,574)	\$ (78,853)
Adjustments to Reconcile Net Income (Loss) To Net Cash Used in Operating Activities		
Common Stock and Issued for Services		
Derivative (Gain)/Loss	188,581	
Warrant Issued Expense	1,044,617	61,570
Amortization of Debt Discount	76,370	
Depreciation	45,922	174
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Accounts Receivable	(11,948)	
(Increase)/Decrease in Other Assets	145	
Increase/(Decrease) in Warrants Derivative Liability	32,431	(164,077)
Increase/(Decrease) in Trade Accounts Payable	61,538	11,036
Increase/(Decrease) in Royalty Payable	57,498	
Increase (Decrease) in Accrued Expenses	(50,000)	
Increase/(Decrease) in Accrued Interest	22,132	7,917
Net Cash Used in Operating Activities	(258,288)	(162,233)
Cash Flows From Investing Activities		
Investment in Fixed Assets	(13,594)	(4,564)
Investment in NARIL		(150,000)
Investment in Land	(200,000)	
Mining Claims and Mining Properties	(98,474)	
Net Cash Used by Investing Activities	(312,068)	(154,564)
Net Cash Used by Financing Activities		
Proceeds from Notes Payable	40,000	
Repayments of Notes Payable	(45,000)	(8,250)
Issuance of Stock for Purchase of Assets		250,000
Issuance of Stock for Payment of Debt		
Proceeds from Issuance of Stock	604,796	
Net Cash Provided by Financing Activities	599,796	241,750
Net (Decrease) Increase in Cash	29,440	(75,047)
Cash Beginning of Period	85,894	82,637
Cash at End of Period	\$ 115,334	\$ 7,590

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash Paid During the Period For:

Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

Stock Subscription Receivable	\$ 100,000	\$ 175,000
Derivative Liability at Inception	\$ 214,122	\$ 61,570

ENSURGE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE PERIOD BEGINNING JANUARY 1, 2016 TO MARCH 31, 2017

	PREFERRED SHARES		COMMON STOCK		ADDITIONAL PAID IN CAPITAL	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS DEFICIT
	SHARES	AMOUNT	SHARES	AMOUNT			
Balance - January 1, 2016	1,610,000	\$ 1,610	134,777,976	\$ 134,778	\$ 59,761,579	\$ (60,897,928)	\$ (999,961)
Stock Issued for Cash	175,000	175	13,375,000	13,375	597,097	-	610,647
Stock Issued for Assets	-	-	8,200,000	8,200	796,550	-	804,750
Stock Issued for Services	-	-	11,600,000	11,600	300,400	-	312,000
Cancellation of Stock With Subscription Receivable	-	-	(15,000,000)	(15,000)	(60,000)	-	(75,000)
Conversion of Preferred Stock for Common Stock	(1,238,260)	(1,238)	123,826,000	123,826	(122,588)	-	-
Conversion of Convertible Debt for Common Stock	-	-	509,459	509	5,400	-	5,909
Fair Value of Warrants Issued for Stock	-	-	-	-	361,206	-	361,206
Net Income/Loss	-	-	-	-	-	(1,922,666)	(1,922,666)
Balance - December 31, 2016	546,740	547	277,288,435	277,288	61,639,644	(62,820,594)	(903,115)
Stock Issued for Cash	-	-	12,589,285	12,589	633,507	-	646,096
Less: Subscriptions Receivable	-	-	-	-	-	-	(100,000)
Cancellation of Stock	-	-	(1,845,699)	(1,845)	1,845	-	-
Fair Value of Warrants Issued	-	-	-	-	1,044,617	-	214,122
Net Income/Loss	-	-	-	-	-	(1,725,574)	(895,079)
Balance - March 31, 2017	546,740	\$ 547	288,032,021	\$ 288,032	\$ 63,319,613	\$ (64,546,168)	\$ (1,037,976)

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

ENSURGE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Liquidation – On October 16, 2000, the Company changed its name from Ishopper.com, Inc. to Ensurge, Inc. (herein referred to as “the Company”).

On January 1, 2002, following the consecutive and devastating events of the dot com bubble burst and 9/11, the Company began an eight-year liquidation of assets that were developed during the “dot com” era. During this period the Company also worked on restructuring its debt and capitalization to enable expansion into additional business segments and industries. In 2009, the Company commenced a new phase of business operations in the mining industry. Accordingly, the accompanying financial statements are presented on a GAAP basis of accounting, rather than on a liquidation basis.

In 2015, the Company acquired North American Resources Inc. Ltd. (NARIL), an operating mining company in Guyana. NARIL was incorporated in the Co-operative Republic of Guyana on March 15, 1995. It’s principle activities are the mining and exploration of gold and diamonds. At the time of the acquisition, NARIL was heavily in debt, but had mining equipment and properties in which to mine and had been producing gold every year for many years. NARIL restructured its debt and Ensurge (the new parent company) raised funds and issued stock to eliminate debt, purchase additional mining equipment, mining claims, and property to expand its operations.

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 in the financial statements and accompanying notes. Actual results could differ from those estimates.

Basis of Presentation – Going Concern

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplates continuation of the Company as a going concern. During 2014 through 2016, the Company worked in the exploration and pilot program stage of its operational plan. As shown in the accompanying consolidated financial statements for year and three months ended December 31, 2016 and March 31, 2017, through the acquisition of NARIL, the Company has generated its first significant gold mining revenue after nearly two years of buying assets from other nonoperational corporations that had ceased operations and had previously used equipment and mining lands and claims that were once productive. Additionally, the Company completed the acquisition of other miscellaneous mining leases and other property with various precious metals materials that the Company can explore and extract. These acquisitions, both by cash and stock, have solidified the Company’s status of on-going mining operations on a regular basis for gold production. The Company does anticipate additional acquisitions of leases and land for production with associated startup costs which will result in operational losses for at least the next twelve months. Mining production over the past two years did produce some significant revenue (US

\$1.8 million in 2016 and \$500 thousand in the three months of 2017), but, the Company also experienced anticipated heavy costs of testing, measuring, and moving equipment around the interior jungle terrain of Guyana.

With the anticipation of continued testing and moving, the Company will need to obtain loans and equity investments to fund operations. Management still believes that the Company has not reached its “fully funded” operating status and still carries some risk of failure or slowdown in operations due to lack of proper operating funding for the near future. The Company still has stockholders’ deficit and working capital deficit. These factors raise some risk about the Company’s ability to continue as a going concern for the long term, but the results of 2016 and 2017 have proven that significant gold revenue can be obtained. It is the goal of the Company to reduce the cost of gold recovery through more consistent production in proven areas that have manageable and sustainable operations.

Management plans to raise additional capital to complete its business plan. However, there can be no assurance that these arrangements will be sufficient to fund its ongoing capital expenditures, working capital, and other cash requirements. The outcome of these long-term prospects of the Company cannot be predicted at this time. There can be no assurance that any additional financings will be available to the Company on satisfactory terms and conditions, if at all. The Company is pursuing a plan to have a reporting status with the Securities and Exchange Commission. An audit of 2015 and 2016 is underway and attorneys are working to register the Company so it becomes a reporting company again. The Company feels this avenue will provide a more stable base of investors and in seeking a broader range and depth of financing for its future operations.

The accompanying consolidated financial statements do not include any adjustments related to the recoverability or classification of asset – carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

Business Condition – Overall, the Company has suffered losses from operations, and has had negative cash flows from operating activities for most periods in the last three years. The Company has issued promissory notes and stock to fund operations for the last year to supplement cash flow and has issued stock, where possible, to compensate for goods and services. During 2016, the Company has obtained funding (loans and stock sales or stock issuance for asset acquisitions) for operations in the amount of approximately \$1,900,000. In 2016, the Company issued over 140,000,000 shares in stock sales and direct purchase of assets from other defunct mining operations to expand its mining assets and activities. In the first three months of 2017, the Company sold 12,589,285 shares of stock and raised over \$500,000 in additional funding for its operations and expansion.

Principles of Consolidation – The financial statements have been consolidated with its wholly owned subsidiary – North American Resources Inc. Ltd. (“NARIL” or “the Subsidiary”). For 2015 and 2016, NARIL has not been able to provide reliable accounting information to consolidate its accounting records with the Company. Last fall, the Company engaged a local accounting firm in Guyana to audit the books of NARIL and the results have been incorporated in the annual reports of 2015 and 2016. It is expected to continue its audits on a yearly basis to provide the necessary assurance of audited results for a consolidated audit report for the Company and its subsidiaries.

Stock – Based Compensation – Effective January 1, 2006, the Company adopted, “share –Based Payment” (ASC Top 718) which requires that compensation costs relating to share –based payment awards made to employees and directors be recognized in the consolidated financial statements.

Basic and Diluted Earnings Per Share – Basic gain or loss per common share is computed by dividing net gain or loss by the weighted-average number of common shares outstanding during the period. Diluted gain per share is calculated to give effect to potentially issuable common shares which include stock options and stock warrants except during loss periods when those potentially issuable common shares would decrease the loss.

Income Taxes – The Company recognizes an asset or liability for the deferred tax consequences of all temporary differences between the tax basis of assets or liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years when the reported amounts of the asset or liabilities are recovered or settled and for operating loss carry forwards. These deferred tax assets and liabilities are measured using the enacted tax rates that will be in effect when the differences are expected to reverse and the carry forwards are expected to be realized. Deferred tax assets are reviewed periodically for recoverability and a valuation allowance is provided as necessary. Operational expenses have been consistently higher than revenue and the company does not recognize a tax benefit from such operational losses until it is likely that future profitable operations prove feasible.

Cash and Cash Equivalents – The Company considered all highly liquid instruments purchased with an original maturity of three months or less and money market accounts to be cash equivalents. There were no cash equivalents at December 31, 2016 and March 31, 2017.

Derivative Liabilities – The Company assessed the classification of its derivative financial instruments as of December 31, 2016 and March 31, 2017, which consist of convertible instruments and rights to shares of the Company’s common stock, and determined that such derivatives meet the criteria for liability classification under ASC 815.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risk of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risk of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirements of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional, as described.

Fair Value of Financial Instruments – Effective January 1, 2008, the Company adopted FASB ASC 820-Fair Value Measurements and Disclosures, or ASC 820, for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing generally accepted accounting principles that require the use of fair value measurements establishes a frame work for measuring fair value to be applied to existing generally accepted accounting principles

that require the use of fair value measurements establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value 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. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market – based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The Company did not have any level 3 assets as of December 31, 2016 or March 31, 2017. The Company did acquire some assets during 2016 that would be considered Level 2 assets. Convertible notes payable and outstanding warrants and options are Level 3 liabilities. The carrying amounts of these liabilities at December 31, 2016 and March 31, 2017 approximate their respective fair value based on the Company's incremental borrowing rate.

Cash is considered to be highly liquid and easily tradeable as of December 31, 2016 and March 31, 2017 and therefore classified as Level 1 within our fair value hierarchy.

In addition, FASB ASC 825-10-25 Fair Value Option, or ASC 825-10-25, was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value. The Company did not elect the fair value options for any of its qualifying financial instruments.

Convertible Instruments – The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for "Accounting for Derivative Instruments and Hedging Activities".

Professional standards provide three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risk of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as the meaning of "conventional convertible debt instrument."

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with

professional standards when “Accounting for Convertible Securities with Beneficial Conversion Features,” as those professional standards pertain to “Certain convertible Instruments.” Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records, when necessary, deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

Among other things, ASC 815-40 generally provides that if an event is not within the entity’s control or could require a net cash settlement, then the contract shall be classified as an asset or a liability.

Recently Enacted Accounting Standards – The Company adopted the Accounting Standards Update (ASU) No. 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, included an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation. The amendments in this ASU remove all incremental financial reporting requirements from US GAAP for development stage entities, including the removal of Topic 915, Development Stage Entities, from the FASB Accounting Standards Codification.

A development stage entity is one that devotes substantially all its efforts to establishing a *new* business and for which: (a) planned principal operations have not commenced, or (b) planned principal operations have commenced, but have produced no significant revenue. For example, many start-ups or even long-lived organizations that have not yet begun their principal operations beginning after December 15, 2015. Early adoption is permitted.

We have reviewed accounting pronouncements issued during the past two years and have adopted any that are applicable to our company. We have determined that any terminology or use of “exploration stage” or “development stage” disclosures should be eliminated based on FASB review. Such disclosures have been eliminated from these financial statements.

NOTE 2 – WARRANT DERIVATIVE LIABILITY

As part of the warrants issued for common stock, the nature of the warrants requires the Company to record a Warrant Derivative Liability in the amount of \$847,285, and \$879,716 as of December 31, 2016 and March 31, 2017, respectively. The valuation of the derivative is determined using the lattice model. The lattice model is based in part on the price the stock is trading on the day the warrants are issued and again at the end of each quarter and year end. Due to the relatively large swings stock price, the warrant derivative liability calculations also experience large swings, which create large losses and gains.

NOTE 3 – COMMON STOCK WARRANTS AND OPTIONS

As of March 31, 2017, the Company had 44,707,931 common stock warrants outstanding and 7,500,000 option outstanding. Warrants have terms of 3 to 5 years and options have a term of 10 years.

	OPTIONS		WARRANTS	
	<u>3/31/2017</u>	<u>12/31/2016</u>	<u>3/31/2017</u>	<u>12/31/2016</u>
Beginning Balance	7,500,000	7,500,000	29,584,950	17,167,450
Granted/Issued	-	-	15,502,981	14,317,500
Exercised	-	-	-	-
Cancelled	-	-	380,000	1,900,000
End Balance	7,500,000	7,500,000	44,707,931	29,584,950
Exercisable	7,500,000	7,500,000	44,707,931	29,584,950

Warrants – We have granted outstanding warrants for the purchase of a total of 44,707,931 shares of our common stock, all of which are exercisable anytime until their respective expiration dates.

	Stock Price At	Exercise			Risk Free		# of
<u>Date of Issuance</u>	<u>March, 2017</u>	<u>Price</u>	<u>Term</u>	<u>Rate</u>	<u>Volatility</u>	<u>Value</u>	<u>Warrants</u>
April 2015	\$.08	\$.10	3 Yrs	.92%	300.03%	-0-	925,000
May 2015	\$.08	\$.10	3 Yrs	.83%	300.03%	-0-	4,300,000
	June 2015	\$.08-\$1.03	1-3 Yrs	.85%	300.03%	-0-	350,000
May 29, 2015	\$.08	\$.10	3 Yrs	.83%	300.03%	-0-	1,000,000
October 2015	\$.08	\$.05-\$1.10	3-5 Yrs	.93%-1.29%	274.44%	-0-	7,562,450
December 2015	\$.08	\$.05	3 Yrs	1.19%-1.27%	274.44%	-0-	750,000
Jan – Dec 2016	\$.08	\$.05-\$1.20	3-4 Yrs	.77%-1.54%	280.79%	-0-	14,317,500
Jan-Mar 2017	\$.08	\$.029-\$1.14	3 Yrs	1.43%-1.5%	237.76%	-0-	15,502,981

The following is a summary of the Company's stock warrants outstanding as of March 31, 2017, adjusted for any changes in the exercise price of the stock warrants.

Range of Exercise Price - \$.029 to \$.20

Number Outstanding – 44,707,931

Weighted Average Remaining Contractual Life – 2.28 Years

Weighted Average Price - \$.087

Number Exercisable – 44,707,931

Volatility – 237.76%

Dividends - \$.00

The following is a summary of the Company's stock options outstanding as of March 31, 2017, adjusted for any changes in the exercise price of the stock options:

Range of Exercise Price - \$.14 to \$.50

Number Outstanding – 7,500,000

Weighted Average Remaining Contractual Life (In Years) – 3.83 Years

Weighted Average Exercise Price - \$.25

NOTE 4 – ISSUANCE OF STOCK

In the first quarter 2016, the Company issued 170,000 shares of Preferred stock for cash of \$525,000 (\$50,000 paid in December 2015 and \$175,000 paid in April 2016). As part of these stock purchases, 5,000,000 warrants for common stock were issued with an exercise price of \$.05 to \$.20 and exercisable within 3 years.

In the second quarter 2016, the Company issued 500,000 shares of Preferred stock for cash of \$25,000 and 1,000,000 shares of common stock for \$50,000. As part of these stock purchases, 1,500,000 warrants for common stock were issued with an exercise price of \$.05 exercisable within 3 years.

In the third quarter 2016, the Company issued the following:

11,000,000 Common shares for cash of \$175,000

11,100,000 Common shares for services valued at \$272,000

4,200,000 Common shares for assets valued at \$85,000

The Company also converted 1,213,260 preferred shares into 121,326,000 common shares, and cancelled 15,000,000 common shares with a subscription receivable of \$75,000. The Company also issued 509,459 shares for the exercise of warrants attached to a convertible loan of \$6,500.

In the fourth quarter 2016, the Company issued the following:

500,000 shares for services rendered valued at \$40,000

1,375,000 shares for cash of \$40,125

4,000,000 shares for the assets of Badger Mining valued at \$320,000

2,500,000 shares for the cancellation of 25,000 shares of Preferred Shares

In the first quarter, 2017, the Company issued the following stock for consideration:

125,000 shares for \$8,750

1,250,000 shares for \$20,000 that was paid as a partial payment for acquisition of a diamond mine in Guyana

5,000,000 shares for \$350,000

5,714,285 shares for a funding package that included \$400,000 which also included 2,857,142 warrants at \$.14 exercisable in three years and a 3% royalty on tantalum produced from a tantalum mine that is being

purchased as part of the funding agreement. The mine is 19,221 acres in Guyana. The funding came in installments and the Company is still owed \$100,000 of the \$400,000.

500,000 shares for \$35,000

NOTE 5 – NOTES PAYABLE

In November, 2012, the Company entered into a one year \$150,000 note at 10% interest. The note, which is still outstanding and accruing interest, is in default. The note holders are working with the Company to arrange payment resolution.

During April 2013, the Company entered into a 60 day 10% convertible note of \$15,000 which has not been paid off nor converted into stock. Due to the note being in default, the interest rate has now increased to 18%.

In December, 2014, the Company borrowed from a private individual \$20,000 for one year at a stated interest rate of 12%. The loan was partially paid in 2015 and completely paid in 2016.

In May, 2015, the Company borrowed an aggregate of \$100,000 from three individuals with 1,000,000 shares paid up front as interest on the loan. The loan also has warrants attached which are exercisable at \$.08 per share for three years. The warrants are deemed to have a derivative liability attached and is included in the warrant liability valuation as discussed in note 3. The payments were to begin in September 2015 but are all delinquent as of March 31, 2017. Management deferred the payments until the second quarter 2016 where three payments of \$3,000 were made to start the amortization schedule. The note holders have made other loan and stock transactions that benefited the Company and has not filed any litigation on the matter and is discussing options with management.

One of the Company's officer and director has entered into an agreement of one year to fund various loans to the company in varying amounts and at different times. There are no specific terms of the funding or the repayments other than there is a 5% interest rate and a period of one year on the agreement, but it is anticipated that those terms could be extended further.

NOTE 6 – NOTE PAYABLE WITH WARRANTS ATTACHED

On May 27, 2015, the Company entered into a three year note payable of \$100,000 with interest paid up front with 1,000,000 common shares issued and 1,000,000 warrants exercisable at \$.08 for three years. The note is to be paid in equal installments over three years with payments of \$2,778 per month (see note 5). The Company has determined that there is a derivative liability related to the promissory note. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the promissory note and to adjust the fair value as of each subsequent balance sheet date. At the inception of the promissory note, the Company determined a fair value of \$19,460 of embedded derivative. The fair value of the embedded derivative was determined using the Binomial Lattice Model based on the following assumptions:

Dividend Rate – 0%

Volatility – 300.03%

Risk Free Rate - 1.01%

At December 31, 2015, the Company adjusted the recorded fair value of the derivative liability to market on notes resulting in noncash, non-operating loss of \$8,727 for the year 2015 and a loss of \$34,539 for year 2016.

The debt discount attributed to the beneficial conversion feature is amortized and charged to current period operations as interest expense over the term of the note. During the next three years, the Company will amortize \$19,460 of beneficial debt discount to the operations as interest expense. The loan was to be paid back over 36 months with payments of \$2777.77 but the Company has been unable to sustain the payments (see note 5 for current status of the delinquency). The loan terms computes to an effective interest rate of 14.62%. There has been an accrual of \$1,796 of interest for 2015, \$9,994 for the year 2016 (of which \$9,000 has been paid during the year 2016), and \$1,947 for the first three months of 2017.

On August 18, 2016, the Company entered into a nine-month note payable of \$500,000 from two individuals with interest payable at 12% APR. The note was accompanied with 2,000,000 warrants exercisable at \$.10 and 2,000,000 warrants exercisable at \$.15 each with a 4-year life. The Company has determined that a derivative liability related to the promissory note. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the promissory note and to adjust the fair value as of each subsequent balance sheet date. At the inception of the promissory note, the Company determined a fair value of \$158,644 of embedded derivative. The fair value of the embedded derivative was determined using the Bionomial Lattice Model based on the following assumptions:

Dividend Rate – 0%

Volatility – 280.79%

Risk Free Rate - .88%

At December 31, 2016, the Company adjusted the recorded fair value of the derivative liability to market on notes resulting in noncash, non-operating loss of \$118,771 for the year 2016. As of March 31, 2017, the Company adjusted the recorded fair value of the derivative liability to market on notes resulting in noncash, non-operating loss of \$31,737 for the three months ended March 31, 2017.

The debt discount attributed to the beneficial conversion feature (\$158,644) is amortized and charged to current period operations as interest expense over the term of the note (nine months).

NOTE 7 – PRIVATE PLACEMENT OF COMMON STOCK WITH WARRANTS ATTACHED

In the first quarter 2015, the Company commenced a placement pursuant to a Private Placement Memorandum (PPM). The PPM offered common stock at \$.02 per share for total proceeds up to \$250,000. Additionally, the shares came with warrants attached at 1 warrant for every two shares purchased exercisable at \$.10 per share for up to three years. The Company raised \$176,000 before the PPM was closed in November 2015. The Company has determined that there is a derivative liability related to the PPM. The accounting treatment of derivative financial instruments requires that the Company to record the fair value of the derivatives as of the sell date of the PPM and to adjust the fair value as of each subsequent balance sheet date. At the inception of each of the PPM sales, the Company determined a fair value of \$9,000, \$61,258, and \$7,376 for April (925,000 warrants), May (3,125,000 warrants), and June (350,000 warrants), respectively, of embedded derivative.

The fair value of the embedded derivative was determined using the Bionomial Lattice Model based on the following assumptions:

Dividend Rate – 0%

Volatility – 300.03%

Risk Free Rate - 1.01%

On the date of sale for each of the PPM proceeds, the initial fair value of the embedded debt derivative of \$77,634 was allocated as a discount from the proceeds of the PPM (\$176,000).

At December 31, 2015, the Company adjusted the recorded fair value of the derivative liability to market on notes resulting in noncash, non-operating loss of \$46,386 for the year 2015. There was a gain of \$45,406 in the first quarter 2016, a loss of \$40,958 in the second quarter 2016, and a loss of \$37,958 in the third quarter 2016, a gain of \$16,824 for the fourth quarter, and a gain of \$55,865 for the first quarter 2017.

NOTE 8 – STOCK ISSUANCES WITH WARRANTS ATTACHED (2015)

In the fourth quarter of 2015, the Company had several private stock transactions with qualified investors that further funded operations of the Company in Guyana. The Company sold 9,550,000 common shares and 10,000 shares of preferred stock to raise a total of \$236,000. With these stock sales, the Company also attached warrants as an incentive for future investment and funding. The Company issued 7,300,000 warrants with exercise prices from \$.05 to \$.10 and exercisable from 3 to 5 years.

In addition to the warrants that were attached to the stock sales, the Company issued warrants to certain individuals who spent time and their own money funding a legal effort to revive the legal status and financial stability of NARIL, a mining operation that the Company had targeted for management and eventual purchase. Although the money expended by the individuals was never considered a recoverable expense, the effort was considered valuable to the Company and management compensated those efforts by issuing 1,012,450 warrants with an exercise price of \$.08 over a time period of 5 years.

The Company determined that there was a derivative liability related to all of these warrant offerings. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the sell date and to adjust the fair value as of each subsequent balance sheet date. At the inception of each of the stock sales and the offerings of the warrants, the Company determined a fair value of the warrants of embedded derivative.

The fair value of the embedded derivative was determined using the Binomial Lattice Model based on the following assumptions:

Dividend Rate – 0%

Volatility – 272.44%

Risk Free Rate - .93% - 1.29%

On the date of sale for each of the proceeds, the initial fair value of the embedded debt derivative of \$156,294 was allocated as a discount from the proceeds of the offerings (\$236,000).

At December 31, 2015, the Company adjusted the recorded fair value of the derivative liability to market on notes resulting in noncash, non-operating loss of \$85,679 for the year 2015. The Company recognized a loss of \$309,671 for the year 2016, and a loss of \$8,638 for the three months ended March 31, 2017.

NOTE 9 - STOCK ISSUANCES WITH WARRANTS ATTACHED (2016)

In 2016, the Company had several private stock transactions with qualified investors that further funded the Company's operations in Guyana. The Company sold 7,375,000 common shares and 175,000 shares of preferred stock to raise a total of \$726,250. With these stock sales, the Company also attached warrants as an incentive for

future investment and funding. The Company issued 8,942,500 warrants with exercise prices from \$.05 to \$.20 and exercisable in 3 years.

The Company determined that there was a fair market attached to the warrants issued and recognized an expense of \$180,603. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the sell date and to recognize an expense for that fair value at the date of issuance.

The fair value of the embedded derivative was determined using the Binomial Lattice Model based on the following assumptions:

Dividend Rate – 0%

Volatility – 280.79%

Risk Free Rate – 1.26% - 1.35%

On the date of sale for each of the proceeds, the initial fair value of the embedded debt derivative of \$180,603 was recognized as an expense at the time of issuance.

NOTE 10 - STOCK ISSUANCES WITH WARRANTS ATTACHED (2017)

In 2017, the Company had several private stock transactions with qualified investors that further funded the Company's operations in Guyana. The Company sold 11,329,285 common shares a total of \$626,096. With these stock sales, the Company also attached warrants as an incentive for future investment and funding. The Company issued 5,674,642 warrants with exercise prices of \$.14 and exercisable in 3 years.

The Company determined that there was a fair market attached to the warrants issued and recognized an expense of \$214,122. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the sell date and to recognize an expense for that fair value at the date of issuance.

The fair value of the embedded derivative was determined using the Binomial Lattice Model based on the following assumptions:

Dividend Rate – 0%

Volatility – 237.76%

Risk Free Rate – 1.43% - 1.50%

On the date of sale for each of the proceeds, the initial fair value of the embedded debt derivative of \$214,122 was recognized as an expense at the time of issuance.

NOTE 11 – FAIR VALUE OF FINANCIAL INSTRUMENT

ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of

observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used 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 with insufficient volume or infrequent transactions (less active markets); or model – drive valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or puts that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the first value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the first value measurement.

Items recorded or measured at fair value on a recurring basis in the accompanying consolidated financial statements consisted of the following items as of:

December 31, 2016

Significant Unobservable Inputs (Level 3)

Debt Derivative Liabilities - \$434,884

Warrant Derivative Liabilities - \$847,285

March 31, 2017

Significant Unobservable Inputs (Level 3)

Debt Derivative Liabilities - \$723,905

Warrant Derivative Liabilities - \$879,716

The debt derivative and warrant liabilities are measured at fair value using quoted market prices and estimated volatility factors based on historical prices for the Company's common stock and are classified within Level 3 of the valuation hierarchy.

The following table provides a summary of changes in fair value of the Company's Level 3 financial liabilities as of:

Earnings Related to the Liabilities Held at December 31, 2016 and March 31, 2017:

Derivative Loss for the Year – \$(544,025)

Derivative Loss for the Three Months - \$(188,581)

Level 3 Liabilities are comprised of our bifurcated convertible debt and warrant liabilities features on Companies' convertible notes and warrants.

Note 11 - PROVISION FOR INCOME TAXES

In 2013, the Company reported an operating loss carry forward of over \$5,000,000, with a valuation allowance of the same amount. The Company recognized a loss for 2015 of approximately \$1,200,000 and 2016 of approximately \$2,000,000 and has sufficient net operating loss carryforwards to offset any foreseeable taxable income. The Company has experienced changes in ownership (over 50% interest changing hands within 2014 through 2016 due to new stock issuances) which severely limits the use of the net operating loss carryforwards to net income. Such changes affects the net operating loss calculation for 2014 and subsequent years. The Company has no tax liability for 2015, 2016, or the current quarter for current operations and does not record a tax benefit for the large net operating loss carryforwards.

The operations of the subsidiary, NARIL, are governed and taxed under the laws of the country of Guyana. There is a current tax liability of \$8,275 (US\$) owing on past and current year operations. NARIL has accumulated tax losses available at the end of the year amounting to \$(2,753,151) (\$US) in 2016 and \$(2,448,047) (\$US) in 2015.

Note 12 - COMMITMENTS AND CONTINGENCIES

Several of the Company's note payables are past due. No lawsuits have been filed concerning these past due notes and currently the Company has limited options as to how to repay these notes. These include, but are not limited to, the following:

In the first quarter of 2015, the Company negotiated a contract with the largest shareholders of South American Minerals, Inc. for the management and eventual purchase (now complete) of their subsidiary North American Resources, Inc. Ltd, (NARIL), a Guyanese Corporation involved in gold mining in Guyana since the 1990s.

The agreement resulted in the Company assuming management duties of NARIL, followed by its acquisition in the fourth quarter of 2015. Since the acquisition, the Company has assisted in funding NARIL's operations. Such funding has been accomplished through stock issuances for services and equipment, loans, and raising capital through private sales of equity. The continued funding of NARIL depends on ongoing loans and stock sales that the Company has been involved with in the past year. The Company cannot guaranty that this type of funding can continue in the future. There is no specific commitment to fund Guyana operations for any time period in the future.

NOTE 13 - LEGAL ISSUES

On March 25, 2013, a complaint was filed against the Company by Randall K. Edwards and Gaia, Silva, Gaede & Associates in the amount of \$74,924 and \$18,627, respectively. These are liabilities for services performed, which are part of the Company's accounts payable. However, due to lack of adequate funding, the Company has not been able to pay these amounts owed. A default judgement was entered in July 2013 for the full amount. The parties are in negotiations for resolution.

In 2014, a complaint was filed in Palm Beach County, Florida, by Carro Consulting, Inc., alleging that Plaintiff provided consulting services to the Company. The Company entered into an agreement for settlement for four payments of \$7,500 and will complete the payment schedule in the next few months.

The Company is not currently aware of any legal proceedings that have a material adverse effect on our financial condition or results of operations.

NOTE 14 - ACQUISITION AND DECONSOLIDATION

In 2013, the Company acquired 80% ownership of TransGlobal Gold Corporation. Due to not being able to obtain audited financial statements from TransGlobal, the Company deconsolidated this subsidiary for 2014 and 2013. TransGlobal was sold off in the third quarter 2016 for a nominal price.

As stated earlier, in the first quarter of 2015, the Company entered into an agreement that granted immediate and total managerial control and the right to purchase (now complete) NARIL. The Company has managed NARIL since March 2015. Pursuant to the acquisition, the Company issued 7.3 million shares of common stock. NARIL has been reporting as a wholly owned subsidiary of the Company and their financial information is included in this report on a consolidated basis.

NOTE 15 – PROPERTY AND EQUIPMENT

It is the policy of the Company to capitalize any expenditures for property and equipment that has a useful and economic life beyond the current year. The Company disposed of all of its existing assets in 2013, and has started purchasing equipment for its operations in Guyana. The Company estimates the useful life of its equipment and depreciates the equipment over that life. The Company purchased some office and transportation equipment, which has an estimated life of 4 to 5 years. Depreciation expense for was \$176,595 for 2016, and \$117,348 for the first three months of 2017.

During the year, audits for the subsidiary NARIL was completed and the schedule of equipment and depreciation was included in the audit report. Assets of NARIL consist of office furniture and equipment, motor vehicles, mining equipment, and boats and pontoons. The life of the equipment varies from three years to 10 years. Depreciation expense for NARIL assets was \$44,150 for 2017, \$176,595 for 2016, and \$117,348 for 2015.

Mining development costs have been capitalized for a selected piece of property where preparation for long term mining efforts will begin in 2017. The mining costs will be amortized with a method that will produce the most reasonable estimate of productivity in mineral extraction or estimated life of production when more is known of the nature and extent of activity in the region. No amortization was taken in 2016 or 2017.

NOTE 17 – RELATED PARTY TRANSACTIONS

The Company has various related party transactions with management, summarized as follows:

Accrued liabilities - related parties is primarily past due wages for the current management team. The Company has been successful in reducing that liability during the end of 2016 and is expected to do more in 2017. At present, the Company is paying all current salaries, and reduced the liability by \$69,000 in 2016 and \$50,000 in the first three months of 2017.

Notes Payable – in 2016, an officer of the Corporation loaned funds to the Company in late 2016. The amounts varied in both advances paid in and paid back. The loan agreement calls for a 5% interest rate and the arrangement to end (loans and pay back) of the advances although the agreement can be extended. For 2016, a total of \$126,000 was loaned to the Company and \$5,000 was paid back. In 2017, \$40,000 was loaned and \$45,000 was paid back. In connection with these loans made in 2016 and 2017, warrants for common stock were issued in the amount of 1,775,000 shares exercisable at \$.10 with expiration in 3 years.

The Company has determined that there is a derivative liability related to the promissory note. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the promissory note and to adjust the fair value as of each subsequent balance sheet date.

At the inception of the promissory note, the Company determined a fair value of \$58,867 of embedded derivative. The fair value of the embedded derivative was determined using the Binomial Lattice Model based on the following assumptions:

Dividend Rate – 0%

Volatility – 280.79%

Risk Free Rate - 1.54%

For the loans in 2016, at December 31, 2016, the Company adjusted the recorded fair value of the derivative liability to market on notes resulting in noncash, non-operating loss of \$2,468 for the year 2016 and a loss of \$9,571 for the three months ended March 31, 2017. The debt discount attributed to the beneficial conversion feature (\$58,867) is amortized and charged to current period operations as interest expense over the term of the note (one year).

For the 2017 loans, at March 31, 2017, at inception of the promissory note, the Company determined a fair value of \$22,715 of embedded derivative. The fair value of the embedded derivative was determined during the Binomial Lattice Model based on the following assumptions:

Divided Rate – 0%

Volatility – 237.76%

Risk Free Rate – 1.45%

For 2017, the Company adjusted the recorded fair value of the derivative liability to market on notes resulting in non cash, non-operating loss of \$7,795 for the three months ended March 31, 2017.

Notes Payable – non-interest bearing. A second officer of the corporation has advanced funds to the Company with no terms including interest rate or maturity date. The amounts have varied through the year and has changed regularly. The current balance is \$53,686 at December 31, 2016 and March 31, 2017.

NOTE 18 – ROYALTY AGREEMENT

The Company entered into an agreement for a ten-year royalty equal to 10% of the gold production at a location near the Mazaruni River, Guyana. Purchase of the agreement was for \$163,000, which included an incentive of 1,000,000 shares of common stock and 2,500,000 warrants exercisable at \$.05 for 3 years. The purchase price of \$163,000 was allocated proportionately between the royalty agreement (\$151,208), common stock (\$3,759) and the warrants (\$9,133). The warrant liability was \$72,923 and \$166,607 at the end of 2015 and 2016, respectively. Royalty begins when the gold production begins in the designated area as by definition in the agreement (expected sometime in 2017 or 2018). This agreement has been amended to apply to planned gold production at a different location.

In 2017, as part of a stock transaction that raised a total of \$458,700 which included 5,714,285 shares of stock, 2,857,142 of common stock warrants and payment of a \$58,700 for government fees attached to a mining claim of tantalite, the stockholder negotiated a 3% royalty payment on tantalite production for an indefinite time period. The value of the stock, warrants, and royalty were estimated and the price (\$400,000) was allocated amongst the three assets. The fair market value of the royalty was estimated at 500 kilograms of tantalite at an average price of \$213 per kilogram over 10 years. Actual production may vary widely from original estimations.

NOTE 19 – ACQUISITION OF ASSETS OF KC3 MINING AND BADGER MINING

During 2015 and 2016, the Company issued stock for acquisition of assets of KC3 Mining and Badger Mining, two defunct mining operations in Guyana. The transaction was recorded at FMV of the value of the Company's stock, which was \$220,500 and \$320,000, respectively. A specific list of assets was not known until an audit of Guyana records and a physical inventory of assets was available at the first part of 2017.

Of those assets listed, KC3 Mining assets consisted of 8,000 acres of Tantalite property, with an estimated value of between \$125,000 and \$375,000. The value established by the stock purchase was the value that was placed on the books of the Company (\$220,500). The assets of Badger Mining consisted of mining equipment, mining claims and property. The estimated value of the equipment was placed at \$719,750 based on catalogue and blue book values of the equipment and property. The original stock valuation of \$320,000 was adjusted upward to allocation a FMV of \$719,750 allocated between the assets and the mining claims and property, which included an additional \$399,750 added to additional paid in capital in the fourth quarter of 2016. These assets will be depreciated when the equipment and property will be added to the production activities of the Company in the near future. As of March 31, 2017, a little preparation has been done, but very little production or mining activity has occurred.

NOTE 20 – ACCOUNTS RECEIVABLE

Accounts receivable that have fixed or determinable payments are not quoted in an active market are classified as "loans and receivables." Loans and receivables are measured at cost less any provision for impairment.

NOTE 21 – CURRENCY TRANSACTIONS

The financial statements are stated in US dollars. Foreign currency transactions during the year were translated at the exchange rates ruling at the dates of these transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates prevailing at that date. Any gains and losses arising from the translation of foreign currencies are taken directly into the statement of comprehensive income.

NOTE 22 – JOINT VENTURES

A joint venture is a joint arrangement whereby the parties that have control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control. Investments in joint ventures are accounted for at cost.