

NEW AMERICA ENERGY CORP. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	<u>May 31,</u> <u>2016</u>	<u>August 31,</u> <u>2015</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 2,210	\$ 1,115
Loans receivable	9,615	2,898
Total current assets	<u>11,825</u>	<u>4,013</u>
 Furniture and fixtures, net	 4,428	 5,447
 TOTAL ASSETS	 \$ <u>16,253</u>	 \$ <u>9,460</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 121,493	\$ 115,318
Accrued interest	114,756	79,380
Accounts payable - related parties	20,681	20,681
Line of credit	35,000	-
Short term loan	95,370	95,370
Convertible notes, net of discount of \$22,993 and \$58,694	440,729	418,655
Derivative liability	342,323	438,374
Total current liabilities	<u>1,170,352</u>	<u>1,167,778</u>
 STOCKHOLDERS' EQUITY:		
Common stock, \$0.00001 par value, 1,900,000,000 shares authorized, 1,274,757,462 and 500,850,385 shares issued and outstanding	 1,274,757	 500,850
Additional paid-in capital	440,565	1,158,845
Accumulated deficit	<u>(2,869,421)</u>	<u>(2,818,013)</u>
Total stockholders' equity	<u>(1,154,099)</u>	<u>(1,158,318)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ <u>16,253</u>	\$ <u>9,460</u>

NEW AMERICA ENERGY CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	May 31, 2016	May 31, 2015	May 31, 2016	May 31, 2015
REVENUES	\$ 2,545	\$ 249	\$ 2,840	\$ 249
OPERATING EXPENSES				
General and administrative	28,494	30,570	69,923	103,333
Total operating expenses	28,494	30,570	69,923	103,333
Loss from operations	(25,949)	(30,321)	(67,083)	(103,084)
OTHER INCOME (EXPENSE)				
Interest and financing costs	(13,648)	(37,688)	(67,107)	(128,928)
Amortization of debt discounts	(20,709)	(48,277)	(77,701)	(129,950)
Change in derivative liability	45,481	45,454	160,483	92,140
Total other income (expense)	11,124	(40,511)	15,675	(166,738)
LOSS BEFORE PROVISION FOR INCOME TAXES	(14,825)	(70,832)	(51,408)	(269,822)
PROVISION FOR INCOME TAXES	-	-	-	-
NET LOSS	\$ (14,825)	\$ (70,832)	\$ (51,408)	\$ (269,822)
Weighted average shares outstanding :				
Basic	967,244,056	500,850,385	704,731,958	500,850,385
Diluted	967,244,056	500,850,385	704,731,958	500,850,385
Loss per share				

Basic	\$	<u>(0.00)</u>	\$	<u>(0.00)</u>	\$	<u>(0.00)</u>	\$	<u>(0.00)</u>
Diluted	\$	<u>(0.00)</u>	\$	<u>(0.00)</u>	\$	<u>(0.00)</u>	\$	<u>(0.00)</u>

NEW AMERICA ENERGY CORP. AND SUBSIDIARY
STATEMENT OF STOCKHOLDERS' DEFICIT

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Deficit
Balance, August 31, 2015	500,850,385	\$ 500,850	\$ 1,158,845	\$ (2,818,013)	\$ (1,158,318)
Issuance of common stock for conversion of debt	837,117,000	837,117	(781,490)	-	55,627
Cancellation of shares	(63,209,923)	(63,210)	63,210	-	-
Net loss	-	-	-	(51,408)	(51,408)
Balance, May 31, 2016	<u>1,274,757,462</u>	<u>\$ 1,274,757</u>	<u>\$ 440,565</u>	<u>\$ (2,869,421)</u>	<u>\$ (1,154,099)</u>

NEW AMERICA ENERGY CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine Months Ended	
	May 31, 2016	May 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (51,408)	\$ (269,822)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	1,019	915
Amortization of debt discounts	77,701	129,950
Change in derivative liability	(160,483)	(92,140)
Financing costs	30,832	100,879
Change in current assets and liabilities:		
Accounts payable	6,175	-
Accrued interest	35,376	28,050
Net cash used in operating activities	<u>(60,788)</u>	<u>(102,168)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	-	(3,678)
Issuance of loans receivable	(7,600)	(1,940)
Prepayment of loans receivable	883	-
Net cash used by investing activities	<u>(6,717)</u>	<u>(5,618)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	35,000	-
Proceeds from issuance of convertible notes	33,600	110,000
Net cash provided by financing activities	<u>68,600</u>	<u>110,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,095	2,214
CASH, BEGINNING BALANCE	<u>1,115</u>	<u>5,588</u>
CASH, ENDING BALANCE	\$ <u>2,210</u>	\$ <u>7,802</u>
Supplemental cash flow information		
Interest	\$ <u>900</u>	\$ <u>-</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>
Supplemental disclosure of non-cash financing activities		
Common stock issued for conversion of debt	<u>\$ 55,627</u>	<u>\$ -</u>