

NX Capital Co. and Predecessor Company
(a Development Stage Company)

Consolidated Balance Sheets
(unaudited)

Assets	March 31, 2014	December 31, 2013
Current assets:		
Cash and cash equivalents	\$ —	—
Deposit for acquisition of Long Park Property	5,000	—
Total current assets	5,000	—
Investment in mineral property	32,770	32,770
Total assets	\$ 37,770	32,770
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	\$ 36,250	86,250
Accounts payable and accrued expenses - related party	18,483	—
Advance payable - related party	5,000	—
Total current liabilities	59,733	86,250
Contingency (Note 9)		
Stockholders' deficit:		
Preferred Series A stock, \$0.0001 par value, 4,250,000 shares authorized, 4,250,000 shares issued and outstanding	425	425
Preferred Series B stock, \$0.0001 par value, 1,000,000 shares authorized, none issued and outstanding	—	—
Preferred Series C stock, \$0.0001 par value, 2,500,000 shares authorized, none issued and outstanding	—	—
Preferred Series D stock, \$0.0001 par value, 17,250,000 shares authorized, none issued and outstanding	—	—
Common stock, \$0.0001 par value, 250,000,000 shares authorized, 131,916,646 and 143,675,906 issued and outstanding, respectively	14,368	13,192
Additional paid-in-capital	7,613,365	7,549,291
Accumulated deficit from prior operations	(7,439,633)	(7,439,633)
Accumulated deficit during the development stage	(210,488)	(176,755)
Total stockholders' deficit	(21,963)	(53,480)
Total liabilities and stockholders' deficit	\$ 37,770	32,770

See accompanying notes to unaudited consolidated financial statements.

NX Capital Co. and Predecessor Company
(a Development Stage Company)
Consolidated Statements of Operations
(unaudited)

	For the three months ended March 31,		Period from inception of Development Stage (October 10, 2013) through March 31, 2014
	2014	2013	
Revenue	\$ —	—	—
Operating expenses:			
Professional fees	1,357	15,000	62,607
General and administrative	32,376	5,131	32,376
Settlement expenses	—	—	115,505
Total operating expenses	<u>33,733</u>	<u>20,131</u>	<u>210,488</u>
Gross profit	(33,733)	(20,131)	(210,488)
Other expense - interest expense	—	(19,054)	—
Net loss	<u>\$ (33,733)</u>	<u>(39,185)</u>	<u>(210,488)</u>
Net loss per common share:			
Basic	<u>\$ (0.000) *</u>	<u>(0.001)</u>	
Diluted	<u>\$ (0.000) *</u>	<u>(0.001)</u>	
Weighted average common shares outstanding:			
Basic	<u>134,995,864</u>	<u>77,925,663</u>	
Diluted	<u>134,995,864</u>	<u>77,925,663</u>	

* Denotes a loss of less than \$(0.000) per share

See accompanying notes to unaudited consolidated financial statements.

NX Capital Co. and Predecessor Company
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Consolidated Statements of Cash Flows
(unaudited)

	For the months ended March 31,		Period from inception of Development Stage (October 10, 2013) through March 31, 2014
	2014	2013	
Cash flows from operating activities:			
Net income (loss)	\$ (33,733)	(39,185)	(210,488)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Stock-based compensation	15,250	—	15,250
Non-cash settlement expenses	—	—	115,505
Change in operational assets and liabilities:			
Increase in deposit	(5,000)	—	(5,000)
Increase in accounts payable and accrued expenses	18,483	—	79,733
Increase in accrued interest payable	—	39,185	—
Net cash used in operating activities	<u>(5,000)</u>	<u>—</u>	<u>(5,000)</u>
Cash flows from financing activities - advance from related party	<u>5,000</u>	<u>—</u>	<u>5,000</u>
Net change in cash and cash equivalents	<u>—</u>	<u>—</u>	<u>—</u>
Cash and cash equivalents, beginning of period	<u>—</u>	<u>—</u>	<u>—</u>
Cash and cash equivalents, end of period	<u>\$ —</u>	<u>—</u>	<u>—</u>
Supplemental schedule of non-cash operating and investing activities:			
Accounts payable settled through issuance of common stock	\$ <u>50,000</u>	<u>—</u>	<u>50,000</u>
Common stock issued for compensation to director and officer	\$ <u>15,250</u>	<u>—</u>	<u>15,250</u>
Common stock issued for settlement with prior director and officer	\$ <u>—</u>	<u>—</u>	<u>90,505</u>
Settlement expenses included in accounts payable	\$ <u>—</u>	<u>—</u>	<u>25,000</u>

See accompanying notes to unaudited consolidated financial statements.

NX CAPITAL CO.
(formerly NexHorizon Communications, Inc.)
(A Development Stage Company)

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Organization, Operations, and Basis of Presentation

Organization and Operations

NexHorizon Communications, Inc. ("NexHorizon") was originally incorporated as Y-Tel International, LLC on January 16, 2001 under the laws of the State of Delaware. Through 2011, NexHorizon owned and operated cable television systems and networks which provided cable and telecommunications services to customers located in rural areas within the Western United States.

In June 2013, NexHorizon formed two wholly-owned subsidiaries, NX Capital Co. and Neh2013, Inc. ("Neh2013") under the laws of the State of Delaware. Effective July 30, 2013, an agreement and plan of merger and reorganization into a holding company structure ("Reorganization Agreement") was executed between NexHorizon, NX Capital Co., and Neh2013 whereby NexHorizon was merged into Neh2013, which then became a wholly-owned subsidiary of NX Capital Co. Neh2013 was sold to an unrelated party on August 23, 2013. For purposes of the accompanying unaudited consolidated financial statements, NX Capital Co. and its predecessor, NexHorizon, are referred to as the "Company". In June 2013, NexHorizon formed a wholly-owned subsidiary, Montrose Energy Group, Inc. ("Montrose Energy"), under the laws of the State of Colorado. On March 20, 2014, Montrose Energy changed its name to NX Uranium, Inc.

The Company intends to engage in the acquisition, exploration, and development of mineral properties in the Western United States. On October 10, 2013, Montrose Energy acquired a 65% interest in a mineral property in San Juan County, Utah (the "R&R Property"). On March 18, 2014, the Company entered into a purchase agreement to buy six unpatented lode mining claims (the "Long Park Property") for a total purchase price, including acquisition and related fees, of \$126,000. The acquisition is scheduled to close on or before July 15, 2014 and is contingent on the Company securing the necessary funding to complete the transaction. The Company plans to fund any future exploration and development activities through the issuance of additional shares of its common and/or preferred stock, borrowings under new credit facilities, by seeking merger or joint venture opportunities, or any combination thereof.

Principles of Consolidation and Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated consolidations.

The accompanying unaudited interim consolidated financial statements and related notes were prepared by the Company in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial reporting. These unaudited interim consolidated financial statements include all of the adjustments, which, in the opinion of management, are necessary for a fair presentation of the financial position and results of operations. All such adjustments are of a normal recurring nature only. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full fiscal year.

In preparing the accompanying unaudited consolidated financial statements, we have considered disclosure of events that have occurred after March 31, 2014 up until their issuance on June 3, 2014. See Note 9.

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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(2) Accounting Policies and Related Matters

(a) *Use of Estimates*

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Estimates and judgments are based on information available at the time such estimates and judgments are made. Adjustments made with respect to the use of these estimates and judgments often relate to information not previously available. Uncertainties with respect to such estimates and judgments are inherent in the preparation of consolidated financial statements.

(b) *Development Stage Company*

As a result of the Company's acquisition of its interest in the R&R Property, on October 10, 2013 the Company became a "development stage company" and is subject to compliance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 915, *Development Stage Entities*. The Company's activities prior to this date have been separately presented in the accompanying unaudited consolidated balance sheets and unaudited consolidated statement of changes in stockholders' deficit. To date, the Company's planned principal operations have not fully commenced.

(c) *Cash and Cash Equivalents*

Cash and cash equivalents include all cash on hand, demand deposits, and investments with original maturities of three months or less. We consider cash equivalents to include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) *Mineral Property Costs*

Mineral property costs are capitalized when incurred and will be amortized using the units of production method following the commencement of production. If a mineral property is subsequently abandoned or impaired, any capitalized costs will be expensed in the period of abandonment or impairment.

(e) *Exploration Costs*

Exploration costs are expensed as incurred up to the date of establishing that costs incurred are economically recoverable. Exploration expenditures incurred subsequent to the establishment of economic recoverability are capitalized and included in the carrying amount of the related property. The Company has not yet commenced exploration on the R&R Property.

(f) *Income Taxes*

We account for income taxes under the liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. When

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necessary, a valuation allowance is established to reduce deferred tax assets to the amount expected to be realized.

(g) Per Share Data

Net income (loss) per share is presented in accordance with ASC Topic 260, *Earnings Per Share*, which requires the presentation of both basic and diluted earnings per share ("EPS") on the income statements. Basic EPS would exclude any dilutive effects of options, warrants and convertible securities but does include the restricted shares of common stock issued. Diluted EPS would reflect the potential dilution that would occur if securities of other contracts to issue common stock were exercised or converted to common stock. Basic EPS calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted EPS calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding.

For purposes of calculating diluted EPS for the three months ended March 31, 2014 and 2013, the Company excluded common shares of 4,250,000 that are issuable upon the conversion of the Company's preferred stock because the effect would have been anti-dilutive.

(h) Recent Accounting Pronouncements

The Company evaluates the pronouncements of various authoritative accounting organizations to determine the impact of new pronouncements on GAAP and the impact on the Company. There were various updates recently issued by the FASB, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

(3) Going Concern and Liquidity

As of March 31, 2014, the Company had no working capital with which to fund future operating expenses or any exploration activities. The accompanying unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. It is our current intention to fund future operating expenses and any additional asset acquisitions through the issuance of our common and/or preferred stock, borrowings from new credit facilities, by seeking joint venture opportunities, or any combination thereof. There is no assurance that we will be able to consummate any such transaction(s).

(4) Fair Value Measurements

Fair value is 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 (exit price). The authoritative guidance requires disclosure of the framework for measuring fair value of financial and non-financial assets and liabilities. Financial assets and liabilities are measured at fair value on a recurring basis. Non-financial assets and liabilities are recognized at fair value on a non-recurring basis.

We categorize the inputs to the fair value of our financial assets and liabilities using a three-tier fair value hierarchy that prioritizes the significant inputs used in measuring fair value:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily

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consists of financial instruments such as exchange-traded derivatives, listed securities, and U.S. government treasury securities.

- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date; Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in the category include non-exchange-traded derivatives such as over-the-counter forwards, swaps and options.
- Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value and we do not have sufficient corroborating market evidence to support classifying these assets and liabilities as Level 2.

As of March 31, 2014, the Company did not have any financial assets or liabilities.

(5) Interest in Mineral Property

On October 10, 2013 Montrose Energy, d/b/a UR Uranium, Inc., acquired a 65% in the R&R Property, which consists of mineral claims on four parcels of land, totaling 80 acres, located in San Juan County, Utah. The R&R Property includes a previously operating mine (which last produced in the 1970's) and was acquired from an individual who subsequently became a consultant for the Company. On February 6, 2014 the Company executed an extension to purchase the remaining 35% interest in the R&R Property during 2014. Because no additional consideration was paid to secure the extension, the capital cost of the acquisition has not yet been recorded or reflected on the accompanying balance sheets. The Company considers the R&R Property to be an exploration property.

On March, 18, 2014, the Company entered into a purchase agreement to purchase the Long Park Property for total consideration of \$126,000 in cash. The Company's chief executive officer ("CEO") advanced \$5,000 to the Company to fund the deposit required for the acquisition, which is reflected as a deposit in the accompanying unaudited consolidated balance sheets. The Company's acquisition of the Long Park Property is scheduled to close on or before July 15, 2014.

(6) Related Party Transactions

Southwest Consulting Associates, Inc. ("Southwest"), an affiliate of the Company's former sole officer and director, provided professional services to the Company through November 13, 2013. These services related to the planning and execution of the Reorganization Agreement, and to the commencement of the Company's new business activities which include the acquisition, exploration, and development of mineral properties. Amounts associated with the services were \$0 and \$15,000 for the three months ended March 31, 2014 and 2013, respectively, and are reflected as professional fees in the accompanying unaudited consolidated statements of operations.

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Southwest also incurred general and administrative expenses, on behalf of the Company, of \$0 and \$5,131 for the three months ended March 31, 2014 and 2013, respective, and are reflected as general and administrative expenses in the accompanying unaudited consolidated statements of operations.

During the three months ended March 31, 2014, the Company's CEO paid for certain professional fees and general and administrative expenses, totaling \$3,483, on behalf of the Company. Additionally, the Company has recorded accrued expenses of \$15,000 for two months of compensation expense due to the Company's CEO. These amounts are reflected as accounts payable and accrued expenses – related party in the accompanying unaudited consolidated balance sheets.

In March 2014, the Company's CEO advanced the Company \$5,000 to fund the deposit required under the purchase agreement for the Long Park Property acquisition. This advance is reflected as advance payable – related party in the accompanying unaudited consolidated balance sheets.

(7) Contingency

Contingency

The former secured lender to the Company's predecessor, NexHorizon, has initiated communications with the Company's external corporate counsel regarding certain claims that the former lender believes it has with respect to the Company's corporate structure following their foreclosure on all of NexHorizon's assets in 2011. In February 2008, in accordance with the loan agreement between NexHorizon and its former secured lender, the former secured lender filed a notice in the State of Delaware under the Uniform Commercial Code ("UCC") regarding its security interest in NexHorizon's assets. Under UCC laws in the State of Delaware's, UCC filings lapse (expire) five years after they are filed, unless a continuation is filed in accordance with the Delaware Secretary of State's Division of Corporations Uniform Commercial Code Revised Article 9, Section 309. NexHorizon's former secured lender did not file for such continuation of their original UCC filing before it expired on February 6, 2013. As such, the Company believes that any claims asserted by NexHorizon's former secured lender regarding any rights it has to NexHorizon interests do not have merit given that their UCC filing was not continued and expired on February 6, 2013.

Furthermore, as result of the Company's reorganization in July 2013 and the subsequent sale of the Company's subsidiary, Neh2013, the Company does not have any obligations with respect to any of NexHorizon's liabilities.

Should NexHorizon's former secured lender pursue legal efforts to enforce their claims, the Company intends to vigorously defend any such case as meritless.

(8) Stockholders' Deficit

In February 2014, the Company issued 2,500,000 shares of its common stock in connection with the terms of the employment agreement for the Company's CEO. The common stock issued was valued at \$15,250, as determined based on a 50% discount to the quoted closing price of the Company's common stock on the transaction date due to the restricted nature of the securities issued.

The Company issued 9,259,260 shares of its common stock in March 2014 in connection with the terms of the Stock for Services Agreement for legal services provided in 2013, whereby the Company was able to eliminate \$50,000 in payables in exchange for the stock.

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(9) Commitments and Contingencies

The Company entered a two year employment contract with the CEO effective January 26, 2014. The key terms of the contract provide for a monthly salary of \$7,500 which will be increased to \$12,500 per month subsequent to achieving \$2 million dollars in funding for the Company. Additionally, the CEO will be paid a project bonus consisting of a 5% cash bonus and a 5% stock bonus for each complete acquisition or merger. The bonus is based on the final acquisition price or merger value and will be paid within 30 days of the closing date.

(10) Subsequent Events

The Company has evaluated all subsequent events through the date of issuance of these unaudited consolidated financial statements and except as described above, did not have any material recognizable subsequent events.