Osceola Gold, Inc.
f/k/a Phyhealth Corp.

Financial Statements and Footnotes (Unaudited)

Osceola Gold, Inc.

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Osceola Gold, Inc. (f/k/a Phyhealth Corporation)
CONSOLIDATED BALANCE SHEETS
December 31 2016 and December 31, 2015

Assets

	2016	2015
Current assets:		
Cash & Cash Equivalents	$ (925)	$ (3,457)
Accounts receivable	-	-
Inventory	-	-
Prepaid expenses	-	-
Federal income tax refund	-	-
Total current assets	(925)	(3,457)
Property and equipment, at cost:		
Heavy Equipment	-	-
Processing Equipment	-	-
Vehicles	27,483	-
Furniture and Equipment	59,900	-
Less: accumulated depreciation	(4,911)	-
Net property and equipment	82,472	-
Other assets:		
Cash held in escrow	-	-
	-	-
Total assets	$ 81,547	$ (3,457)

The accompanying notes are an integral part of these consolidated financial statements.

Osceola Gold, Inc. (f/k/a Phyhealth Corporation)
CONSOLIDATED BALANCE SHEETS
December 31 2016 and December 31, 2015

Liabilities and Stockholder's Equity

	2016	2015
Current liabilities:		
Advance on Contract Gold Purchased	$ 118,000	$ -
Prior Company Accrued Liabs	401,375	401,375
Prior Co. Accrued Payroll	229,605	229,605
Due to Former related ptys	94,762	94,762
Loan payable to frmr rel. ptys	273,594	261,194
Current Portion of cap leases	145,668	145,668
Deposit	25,000	25,000
Conv. Note to frmr officer	300,000	300,000
Federal and state income taxes payable	-	-
Lines of credit	-	-
Accounts payable	-	-
Total current liabilities	1,588,004	1,457,604
Long-term liabilities:		
Long Term Note Payable	1,699,918	925,391
Accrued Interest on Long Term Liabilities	135,618	89,636
Deferred federal income tax liabilities	-	-
Total long-term liabilities	1,835,536	1,015,027
Total Liabilities	$ 3,423,540	$ 2,472,631
Stockholder's equity:		
Common stock, par value $0.0001 per share; 298,000,000 shares authorized, 243,549,765 issued and outstanding	24,174	25,530
Prefered Stock, $0.0001 par value, Series A convertible authorized 1,000,000 shares, 247,053 issued and outstanding	25	25
Series B convertible authorized 1,000,000 shares, 0 issued and outstanding	-	-
Additional Paid-In Capital	$ 2,380,429	2,867,143
Retained earnings	(5,722,422)	(5,343,231)
Total stockholder's equity	(3,341,993)	(2,476,088)
Total liabilities and stockholder's equity	81,547	(3,457)

The accompanying notes are an integral part of these consolidated financial statements.

Osceola Gold, Inc. (f/k/a Phyhealth Corporation)
CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
December 31 2016 and December 31, 2015

	2016	2015
Revenues:		
Operating Revneues	$ -	$ -
Other Revenues	181	-
Total revenues	181	-
Cost of Goods Sold	6,811	-
Gross Profit	(6,630)	-
Expenses		
Operational Expenses		
Mine Operator Expense	394,642	45,800
Fuel Expense	-	-
Equipment Rental	-	-
Repairs and Maintenance	16,901	2,819
Total Operational Expenses	411,543	48,619
Royalty Expenses	-	60,000
Selling, General and Administrative Expenses	551,377	110,009
Total Expense	962,920	218,628
Earnings Before Income Taxes, Depreciation and Amortization	(969,550)	(218,628)
Depreciation Expense	4,911	-
Provision (benefit) for income taxes:		
Current		
Deferred	-	-
Total provision (benefit) for income taxes	-	-
Net income (loss)	(974,461)	(218,628)
Extraordinary Loss		
Comprehensive Net Imcome (Loss)	(974,461)	(218,628)
Retained earnings at beginning of period	(5,299,939)	(5,081,311)
Retained earnings at end of period	$ (6,274,400)	$ (5,299,939)

The accompanying notes are an integral part of these consolidated financial statements.

Osceola Gold, Inc. (f/k/a Phyhealth Corporation)
STATEMENT OF CHANGES IN CONSOLIDATED STOCKHOLDERS' EQUITY
December 31 2016 and December 31, 2015

	Common Stock		Prefered Series A		Prefered Series B		Additional Paid-In	Retained Earnings/ Accumulated	
	Shares	Par Value	Shares	Par Value	Shares	Par Value	Capital	Loss	Total
Balance at December 31, 2014	8,127,136	813	247,053	25	3,662	0	2,867,143	(4,325,577)	(1,457,596)
Share issued for property	214,752,586	21,475	-	-	(3,662)	(0)	-	-	21,475
Shares issued for services	1,000,000	100	-	-	-	-	-	-	100
Shares issued for extinguish debts	30,419,641	3,042	-	-	-	-	-	-	3,042
Shares issued for cash		100							
Net income (loss)	-	-	-	-	-	-	-	(218,628)	(918,645)
Balance at December 31, 2015	254,299,363	25,530	247,053	25	-	-	2,867,143	(4,544,205)	(2,351,624)
Share issued for property	-	-	-	-	-	-	-	-	-
Shares issued for services	-	-	-	-	-	-	-	-	-
Shares issued for extinguish debts	(13,560,219)	(1,356)	-	-	-	-	(486,714)	-	(488,070)
Shares issued for cash		-							
Net income (loss)	-	-	-	-	-	-	-	(974,461)	(1,010,626)
Balance at December 31, 2016	240,739,144	24,174	247,053	25	-	-	2,380,429	(5,518,666)	(3,850,320)

The accompanying notes are an integral part of these consolidated financial statements.

Osceola Gold, Inc. (f/k/a Phyhealth Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
December 31 2016 and December 31, 2015

	2016	2015
Cash flows from operating activities:		
Net income (loss)	$ (974,461)	$ (218,628)
Adjustment to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Loss from disposition of assets	-	-
Increase in allowance for doubtful accounts	-	-
Settlements of asset retirement obligations	-	-
Changes in operating assets and liabilities:		
Depreciation and Amortization	4,911	-
Other operating adjustments	-	(589,960)
Prepaid expenses	-	-
Estimated federal income tax refund	-	-
Federal and state income taxes payable	-	-
Other Changes in operating assets	-	629
Other Changes in operating liabilities	130,400	0
Deferred federal income tax liabilities	-	-
Net cash (used in) provided by operating activities	(839,150)	(807,959)
Cash flows from investing activities:		
Additions to PPE	82,472	-
Purchases of investments	-	-
Proceeds from sale of investments	-	-
Proceeds from disposition of property and equipment	-	-
Other	-	-
Net cash provided by investing activities	82,472	-
Cash flows from financing activities:		
Money's Invested by Long Term Notes	190,694	1,014,762
Repayment of related party borrowings	-	-
Accrued Interest	(88,771)	-
Other	657,286	(210,260)
Net cash used in financing activities	759,209	804,502
Net increase (decrease) in cash		(3,457)
Cash at beginning of Period	(3,457)	-
Cash at end of Period	$ (3,457)	$ (3,457)

The accompanying notes are an integral part of these consolidated financial statements.

Osceola Gold, Inc. (f/k/a Phyhealth Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
December 31 2016 and December 31, 2015

	2016	2015
Supplemental Cash Flow Disclosures		
Interest paid	$ -	$ -
State and federal income taxes paid	$ -	$ -
Supplemental Non-Cash Investing and Financing Activities		
Equipment notes payable issued for acquisition of property and equipment	$ -	$ -
Unevaluated properties acquired with related party borrowings	$ -	$ -
Transfer of unevaluated properties to third party owners	$ -	$ -
Additions to asset retirement obligations, capitalized	$ -	$ -
Consideration received from disposition of assets	$ -	$ -
Increase in allowance for doubtful accounts charged	$ -	$ -
Increase in producing properties from accounts payable	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

The interim financial statements of Osceola Gold, Inc. f/k/a Phyhealth Corp. (the "Company") have been prepared by management and are unaudited. In the opinion of management, these financial statements reflect all adjustments of a normal recurring nature necessary for a fair presentation of the results for the interim periods presented.

Basis of Presentation

The Company has not generated significant revenues from operations. There is no bankruptcy, receivership or similar proceeding against the Company.

These unaudited financial statements are presented in United States dollars and have been prepared in accordance with United States generally accepted accounting principles ("GAAP").

Certain information or footnotes disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations or cash flows. It is management 's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation.

NOTE 2 - GOING CONCERN

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue in operation for at least one year and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several conditions and events cast doubt about the Company's ability to continue as a "going concern". The Company has incurred net losses of approximately Six Million Two Hundred Seventy-Four Thousand Four Hundred Dollars ($6,274,400) for the period from inception through December 31, 2016, has a liquidity problem and requires additional financing and/or sales in order to finance its business activities on an ongoing basis. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained.

The Company's ability to survive will depend on numerous factors including, but not limited to,

the Company's receiving continued financial support, completing public equity financing or generating profitable operations in the future.

These financial statements do not reflect adjustments that would be necessary if the Company were unable to continue as a "going concern". While management believes that the actions already taken or planned will mitigate the adverse conditions and events which raise doubt about the validity of the "going concern" assumption used in preparing these financial statements, there can be no assurance that these actions will be successful.

If the Company were unable to continue as a "going concern", then substantial adjustments would be necessary to carrying values of assets, the reported amounts of its liabilities, the reported revenue and expenses, and the balance sheet classifications used.

NOTE 3 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

Per Share Data

Net loss per common share is computed by dividing net loss by the weighted average common shares outstanding during the period as defined by Financial Accounting Standards, ASC Topic 260, "Earnings per Share". Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of common shares outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

Use of Estimates

The preparation of financial statement in accordance with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates. Management believes that the estimates used are reasonable.

In management's opinion, all adjustments necessary for a fair statement of the results for the interim periods have been made.

Revenue Recognition

The Company recognizes revenue on an accrual basis. Revenue is generally realized or realizable and earned when all of the following criteria are met: 1) persuasive evidence of an arrangement exists between the Company and its customers; 2) services have been rendered; 3) the price to the customer is fixed or determinable; and 4) collectability is reasonably assured.

Fair Value of Financial Instruments

The carrying value of cash equivalents and accrued expenses approximates fair value due to the short period of time to maturity. Notes and other financial obligations are carried at face value.

Principles of Consolidation

The consolidated financial statements include the accounts of Osceola Gold, Inc., f/k/a Phyhealth Corp., a Delaware Corporation, and those of its subsidiary, Osceola Gold, Inc.

Mineral Properties

Mineral property acquisition costs are recorded at cost and are deferred until the viability of the property is determined. No properties have reached the development stage at this time. Exploration, mineral property evaluation, option payments, related acquisition costs for mineral properties acquired under an option agreement, general overhead, administrative and holding costs to maintain a property on a care and maintenance basis are expensed in the period they are incurred. When reserves are determined for a property and a bankable feasibility study is completed, subsequent exploration and development costs on the property would be capitalized. If a project were to be put into production, capitalized costs would be depleted on the unit of production basis.

Management reviews the net carrying value of each mineral property as changes may materialize with a property or at a minimum, on an annual basis. Where information and conditions suggest impairment, estimated future net cash flows from each property are calculated using estimated future prices, proven and probable reserves and value beyond proven and probable reserves, and operating, capital and reclamation costs on an undiscounted basis. If it is determined that the future cash flows are less than the carrying value, a write-down to the estimated fair value is made with a charge to loss for the period. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if the carrying value can be recovered.

Management's estimates of gold prices, recoverable reserves, probable outcomes, operating capital and reclamation costs are subject to risks and uncertainties that may affect the recoverability of mineral property costs.

Stock-based Compensation

The Company recognizes stock-based compensation in accordance with ASC Topic 718 "Stock Compensation" which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to an Employee Stock Purchase Plan based on the estimated fair values.

Recent Accounting Pronouncements

Management has evaluated all recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants and the SEC through the issuance date of these financials and they are not believed by management to have a material impact on the Company's present or future financial position, results of operations or cash flows.

NOTE 4 - COMMITMENTS

As of August 24, 2014, the Company leases the mining rights from the majority shareholder, Pizz, Inc. The Company is obligated to pay annually the greater of Ten percent (10%) of the gross revenue generated from the gold recovered or Fifty Thousand Dollars ($50,000.00).

In addition to the lease payments, the Company is obligated to pay annually the property tax owed by Pizz, Inc.

As of September 2015, the Company has an office in Winterville, Ohio. The Company has contracted for this office on an annual basis.

NOTE 5 - OBLIGATION DUE TO RELATED PARTY

Prior to December 2014, the following obligation due to related party is outstanding with the interest rate set forth below, and are convertible into common shares:

Holder	Principal Balance	Accrued Interest	Total
Various Former Officers	$261,194	$0.00	$261,194

The Company is not currently accruing interest on obligations due to prior officers as the creditors, amounts and terms are undefined. The statute of limitations of debts under Delaware law is six (6) years.

NOTE 6 - NOTES PAYABLE

On December 31, 2016 the following notes payable are outstanding. The notes bear a per annum interest rate and are convertible into common shares:

Holder	Origination Date of Debt	Principal Balance	Accrued Interest	Total
RK Grain	Jan 1, 2015	$187,260	$43,412	$230,672
Joseph Falco	Feb 1, 2015	23,000	5,334	28,334
RK Grain	July 1, 2015	100,000	23,190	123,190
More Success Grp	July 1, 2015	423,999	0	423,999
RK Grain	April 1, 2016	500,000	37,500	537,500
Other Lenders	April 1, 2016	3,500	488	3,988
Joseph Falco	July 1, 2016	45,000	2,250	47,250
Brian Starzak	August 30, 2016	10,000	2,000	12,000
Eric Goldstein	Sept. 12, 2016	5,000	125	5,125
Eric Goldstein	Nov. 11, 2016	5,000	57	5,057
More Success Grp	Dec 19, 2016	215,000	0	215,000

Summary

The operating subsidiary merged into the existing publicly-traded entity, the Company. The Company received a loan to complete the transaction from an individual investor. As settlement of a potential litigation liability, the Company assumed the liability to RK Grain and More Success Group. See Note 13.

The following table summarizes the notes payable activity in December 31, 2016:

Balance at December 31, 2015	$	889,952
Add:		1,130,044
Less: principal converted to common stock		224,000
Balance at December 31, 2016	$	1,795,996

NOTE 7 - SHAREHOLDERS' EQUITY

Preferred Stock

The Company is authorized to issue Two Million (2,000,000) shares of Preferred Stock. On April 27, 2012, the management of the Company filed with the Delaware Secretary of State a certificate of amendment to the certificate of incorporation authorizing these amounts and designating One

Million (1,000,000) shares as Series A Preferred Stock and One Million (1,000,000) shares as Series B Preferred Stock. The certificate of amendment to the certificate of incorporation did not designate any rights or privileges to either the Series A Preferred Stock or the Series B Preferred Stock.

Series A Preferred Stock

The Series A Preferred Stock is senior equity to the common stock of the Company. The Series A Preferred Stock participates in dividends on an as-converted basis *pari passu* with the Common Stock of the Company. The Series A Preferred Stock does not have a liquidation preference. The Series A Preferred Stock votes *pari passu* with the Common Stock of the Company. The Series A Preferred Stock may be converted at the holder's option on a one-to-one basis into the Common Stock of the Company.

No transactions in Series A Preferred Stock occurred in this period.

Series B Preferred Stock

The Series B Preferred Stock is senior equity to the common stock of the Company. The Series B Preferred Stock participates in dividends on an as-converted basis *pari passu* with the Common Stock of the Company. The Series B Preferred Stock does not have a liquidation preference. The Series B Preferred Stock votes *pari passu* with the Common Stock of the Company. The Series B Preferred Stock may be converted at the holder's option on a one-to-one basis into the Common Stock of the Company.

No transactions in Series B Preferred Stock occurred in this period.

Common Stock Issuances

On May 11, 2016, the Company converted Thirty-Three Thousand Dollars ($33,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Sixty-Six Thousand (66,000) shares. As the market price at the time of the issuance of the shares was One Dollar Thirty-Four Cents ($1.34) per share, the Company recorded a loss on note conversion equal to Fifty-Five Thousand Four Hundred Forty Dollars ($55,440.00).

On May 16, 2016, the Company issued Five Hundred Eighty-Two Thousand Six Hundred Forty Eight (582,648) Shares in settlement of a potential litigation to which the Company was intended to be a third-party defendant.

On June 7, 2016, the Company sold One Million Nine Hundred Twenty Thousand Shares

(1,920,000) of common stock for Nine Thousand Six Hundred Dollars ($9,600).

On June 14, 2016, the Company sold Eight Hundred Thousand Shares (800,000) of common stock for Eight Thousand Dollars ($8,000).

On June 28, 2016, the Company sold Seventy-One Thousand Four Hundred Twenty Eight Shares (71,428) of common stock for Twenty Four Thousand Nine Hundred Seventy Dollars ($24,970).

On September 2, 2016, the Company converted Sixteen Thousand Dollars ($16,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing One Hundred Sixty Thousand (160,000) shares. As the market price at the time of the issuance of the shares was One Dollar Thirty-Four Cents ($1.34) per share, the Company recorded a loss on note conversion equal to One Hundred Ninety Eight Thousand Four Hundred Dollars ($198,400.00).

On September 21, 2016, the Company issued to a related party Three Hundred Fifty Thousand (350,000) shares for services rendered. As the market price at the time of the issuance of the shares was One Dollar Thirty-Four Cents ($1.34) per share, the compensation expense recorded was Four Hundred Sixty-Nine Thousand Dollars ($469,000.00).

On December 19, 2016, the Company converted Five Thousand Dollars ($5,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Two Hundred Fifty Thousand (250,000) shares. As the market price at the time of the issuance of the shares was Twenty Cents ($0.20) per share, the Company recorded a loss on note conversion equal to Forty-Five Thousand Dollars ($45,000.00).

On December 19, 2016, the Company converted Four Thousand Dollars ($4,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Four Hundred Thousand (400,000) shares. As the market price at the time of the issuance of the shares was Twenty Cents ($0.20) per share, the Company recorded a loss on note conversion equal to Seventy-Six Thousand Dollars ($76,000.00).

On December 19, 2016, the Company converted Ten Thousand Dollars ($10,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing One Million (1,000,000) shares. As the market price at the time of the issuance of the shares was Twenty Cents ($0.20) per share, the Company recorded a loss on note conversion equal to One Hundred Ninety Thousand Dollars ($190,000.00).

On December 30, 2016, the Company converted Twenty Thousand Dollars ($20,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing One Million (1,000,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion

equal to Five Hundred Ten Thousand Dollars ($510,000.00).

On December 30, 2016, the Company converted Thirty Thousand Dollars ($30,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Six Hundred Thousand (600,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Three Hundred Eighteen Thousand Dollars ($288,000).

On December 30, 2016, the Company converted Thirty Thousand Dollars ($30,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Six Hundred Thousand (600,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Three Hundred Eighteen Thousand Dollars ($288,000.00).

On December 30, 2016, the Company converted Twenty-Five Thousand Dollars ($25,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Five Hundred Thousand (500,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Two Hundred Sixty Five Thousand Dollars ($240,000.00).

On December 30, 2016, the Company converted Five Thousand Dollars ($5,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Two Hundred Fifty Thousand (250,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to One Hundred Thirty Two Thousand Five Hundred Dollars ($127,500.00).

On December 30, 2016, the Company converted Fifty Thousand Dollars ($50,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing One Million (1,000,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Five Hundred Thirty Thousand Dollars ($480,000.00).

On December 30, 2016, the Company converted Fifteen Thousand Dollars ($15,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Three Hundred Thousand (300,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to One Hundred Fifty-Nine Thousand Dollars ($144,000.00).

On December 30, 2016, the Company converted Ten Thousand Dollars ($10,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Two Hundred Thousand (200,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note

conversion equal to One Hundred Six Thousand Dollars ($96,000.00).

On December 30, 2016, the Company converted Twenty-Five Thousand Dollars ($25,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing One Million (1,000,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Two Hundred Sixty Five Thousand Dollars ($505,000.00).

On December 30, 2016, the Company converted Twenty-Five Thousand Dollars ($25,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Five Hundred (500,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Two Hundred Sixty Five Thousand Dollars ($240,000.00).

Stock Option Grants

The Company has not initiated a Stock Option Plan under which to issue a stock option grant. The Company has issued no stock option grants.

Stock Warrants

No transactions in Stock Warrants occurred in this period.

NOTE 8 - RELATED PARTY TRANSACTIONS

No transactions in Related-Party transactions occurred in this period. See Note 5 for prior related party discussions.

NOTE 9 - COMMON STOCK TRANSACTIONS

On May 11, 2016, the Company converted Thirty-Three Thousand Dollars ($33,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Sixty-Six Thousand (66,000) shares. As the market price at the time of the issuance of the shares was One Dollar Thirty-Four Cents ($1.34) per share, the Company recorded a loss on note conversion equal to Fifty-Five Thousand Four Hundred Forty Dollars ($55,440.00).

On May 16, 2016, the Company issued Five Hundred Eighty-Two Thousand Six Hundred Forty-Eight (582,648) Shares in settlement of a potential litigation to which the Company was intended to be a third-party defendant.

On June 7, 2016, the Company sold One Million Nine Hundred Twenty Thousand Shares (1,920,000) of common stock for Nine Thousand Six Hundred Dollars ($9,600).

On June 14, 2016, the Company sold Eight Hundred Thousand Shares (800,000) of common stock for Eight Thousand Dollars ($8,000).

On June 28, 2016, the Company sold Seventy One Thousand Four Hundred Twenty Eight Shares (71,428) of common stock for Twenty Four Thousand Nine Hundred Seventy Dollars ($24,970).

On September 2, 2016, the Company converted Sixteen Thousand Dollars ($16,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing One Hundred Sixty Thousand (160,000) shares. As the market price at the time of the issuance of the shares was One Dollar Thirty-Four Cents ($1.34) per share, the Company recorded a loss on note conversion equal to One Hundred Ninety Eight Thousand Four Hundred Dollars ($198,400.00).

On September 21, 2016, the Company issued to a related party Three Hundred Fifty Thousand (350,000) shares for services rendered. As the market price at the time of the issuance of the shares was One Dollar Thirty-Four Cents ($1.34) per share, the compensation expense recorded was Four Hundred Sixty Nine Thousand Dollars ($469,000.00).

On December 19, 2016, the Company converted Five Thousand Dollars ($5,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Two Hundred Fifty Thousand (250,000) shares. As the market price at the time of the issuance of the shares was Twenty Cents ($0.20) per share, the Company recorded a loss on note conversion equal to Forty-Five Thousand Dollars ($45,000.00).

On December 19, 2016, the Company converted Twenty-Five Thousand Dollars ($25,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Five Hundred Thousand (500,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Two Hundred Sixty Five Thousand Dollars ($240,000.00).

On December 19, 2016, the Company converted Four Thousand Dollars ($4,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Four Hundred Thousand (400,000) shares. As the market price at the time of the issuance of the shares was Twenty Cents ($0.20) per share, the Company recorded a loss on note conversion equal to Seventy-Six Thousand Dollars ($76,000.00).

On December 19, 2016, the Company converted Ten Thousand Dollars ($10,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by

issuing One Million (1,000,000) shares. As the market price at the time of the issuance of the shares was Twenty Cents ($0.20) per share, the Company recorded a loss on note conversion equal to One Hundred Ninety Thousand Dollars ($190,000.00).

On December 30, 2016, the Company converted Twenty Thousand Dollars ($20,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing One Million (1,000,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Five Hundred Ten Thousand Dollars ($510,000.00).

On December 30, 2016, the Company converted Thirty Thousand Dollars ($30,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Six Hundred Thousand (600,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Three Hundred Eighteen Thousand Dollars ($288,000.00).

On December 30, 2016, the Company converted Thirty Thousand Dollars ($30,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Six Hundred Thousand (600,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Three Hundred Eighteen Thousand Dollars ($288,000.00).

On December 30, 2016, the Company converted Twenty-Five Thousand Dollars ($25,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Five Hundred Thousand (500,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Two Hundred Sixty Five Thousand Dollars ($240,000.00).

On December 30, 2016, the Company converted Five Thousand Dollars ($5,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Two Hundred Fifty Thousand (250,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to One Hundred Thirty Two Thousand Five Hundred Dollars ($128,500.00).

On December 30, 2016, the Company converted Fifty Thousand Dollars ($50,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing One Million (1,000,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Five Hundred Thirty Thousand Dollars ($480,000.00).

On December 30, 2016, the Company converted Fifteen Thousand Dollars ($15,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by

issuing Three Hundred Thousand (300,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to One Hundred Fifty-Nine Thousand Dollars ($144,000.00).

On December 30, 2016, the Company converted Ten Thousand Dollars ($10,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Two Hundred Thousand (200,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to One Hundred Six Thousand Dollars ($96,000.00).

On December 30, 2016, the Company converted Twenty-Five Thousand Dollars ($25,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing One Million (1,000,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Two Hundred Sixty Five Thousand Dollars ($505,000.00).

On December 30, 2016, the Company converted Twenty-Five Thousand Dollars ($25,000.00) of the outstanding balance (principal plus accrued interest) of a demand note into common stock by issuing Five Hundred (500,000) shares. As the market price at the time of the issuance of the shares was Fifty-Three Cents ($0.53) per share, the Company recorded a loss on note conversion equal to Two Hundred Sixty Five Thousand Dollars ($240,000.00).

NOTE 10 - SUBSEQUENT EVENTS

As of September 2015, the Company has an office in Winterville, Ohio. The Company has contracted for this office on an annual basis. The Company is in arrears on this lease and owes Three Thousand Dollars ($3,000.00) for Two (2) months of back rent.

As of August 24, 2014, the Company leases the mining rights from the majority shareholder, Pizz, Inc. The Company is obligated to pay annually the greater of Ten percent (10%) of the gross revenue generated from the gold recovered or Fifty Thousand Dollars ($50,000.00). The Company is in arrears on this lease and owes Ninety Five Thousand ($95,000.00) dollars representing Two (2) years of lease payments. The Company is open to the payment of the royalties due through the conversion of the outstanding debt to common stock.

In December 2016, the Company has issued one (1) stock warrant to Union Square Energy Advisors. The warrant granted them the ability to purchase Five Hundred Thousand (500,000) Shares at a strike price of Ten Cents ($0.10) for a period of five years. The agreement was entered into in the fourth quarter of 2016 and will terminate on January 1, 2021.

In addition to the lease payments, the Company is obligated to pay annually the property tax owed

by Pizz, Inc. The Company is in arrears on this payment and owes to the Bureau of Land Management Thirteen Thousand Six Hundred Nineteen Dollars ($13,619.00) in property taxes for tax years 2016 and 2017.

NOTE 11 - RISKS RELATED TO OUR SECURITIES AND THE OVER THE COUNTER MARKET

Securities trading on the OTC Markets (the “Pink Sheets”) may be volatile and transactions may be sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.

We are a fully reporting issuer with the Securities and Exchange Commission and our common stock is quoted on the "Pink Sheets" as provided by OTC Markets under the ticker symbol OSCI. Trading in stock quoted on the Pink Sheets, or any other over the counter venues, is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the Pink Sheets is not a stock exchange, and trading of securities on the Pink Sheets is often more sporadic than the trading of securities listed on a quotation system such as NASDAQ or a physical stock exchange (e.g., New York Stock Exchange). Accordingly, shareholder s may have difficulty reselling any of their shares.

Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations and FINRA's sales practice requirements, which may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than Five Dollars ($5.00) per share or an exercise price of less than Five Dollars ($5.00) per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of Five Million Dollars ($5,000,000) or individuals with a net worth in excess of One Million Dollars ($1,000,000) or annual income exceeding Two Hundred Thousand Dollars ($200,000) or Three Hundred Thousand Dollars ($300,000) jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each

penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our common stock.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission, the Financial Industry Regulatory Authority ("FINRA") has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. FINRA's requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock.

Rule 144 sales are sales of publicly-traded securities pursuant to the safe harbor of Rule 144 of Section 4 of the Securities Act of 1933. Under Section 4 of the Securities Act of 1933, the shareholder can sell shares of the Company into the public markets absent a registration if the selling shareholder complies with certain conditions, the Company is not a shell pursuant to Rule 144(i), and the Company complies with certain reporting provisions of Rule 144. The Company does not comply with the Company complies with certain reporting provisions of Rule 144 at this time. In the future, Rule 144 sales may have a depressive effect on our stock price as an increase in supply of shares for sale, with no corresponding increase in demand will cause prices to fall.

All of the outstanding shares of common stock held by the present officers, directors, and affiliate stockholders are "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933, as amended. As restricted shares, these shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Act and as required under applicable state securities laws. Rule 144 provides in essence that a person who is an affiliate or officer or director who has held restricted securities for six months may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of Ten Percent (10%) of a company's outstanding common stock. There is no limit on the amount of restricted securities that may be sold by a non-affiliate after the owner has held the restricted securities for a period of six months if the company

is a current reporting company under the 1934 Act. A sale under Rule 144 or under any other exemption from the Act, if available, or pursuant to subsequent registration of shares of common stock of present stockholders, may have a depressive effect upon the price of the common stock in any market that may develop.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, the Financial Industry Regulatory Authority (FINRA) has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and operating results.

It may be time consuming, difficult and costly for us to develop and implement the additional internal controls, processes and reporting procedures required by the Sarbanes-Oxley Act. We may need to hire additional financial reporting, internal auditing and other finance staff in order to develop and implement appropriate additional internal controls, processes and reporting procedures.

If we fail to comply in a timely manner with the requirements of Section 404 of the Sarbanes-Oxley Act regarding internal control over financial reporting or to remedy any material weaknesses in our internal controls that we may identify, such failure could result in material misstatements in our financial statements, cause investors to lose confidence in our reported financial information and have a negative effect on the trading price of our common stock.

Pursuant to Section 404 of the Sarbanes-Oxley Act and current SEC regulations, we are required to prepare assessments regarding internal controls over financial reporting and, furnish a report by our management on our internal control over financial reporting. We have begun the process of documenting and testing our internal control procedures in order to satisfy these requirements, which is likely to result in increased general and administrative expenses and may shift management time and attention from revenue-generating activities to compliance activities. While our management is expending significant resources in an effort to complete this important project, there can be no assurance that we will be able to achieve our objective on a timely basis. Failure to achieve and maintain an effective internal control environment or complete our Section 404

certifications could have a material adverse effect on our stock price.

In addition, in connection with our on-going assessment of the effectiveness of our internal control over financial reporting, we may discover "material weaknesses" in our internal controls as defined in standards established by the Public Company Accounting Oversight Board ("PCAOB"). A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The PCAOB defines "significant deficiency" as a deficiency that results in more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected.

In the event that a material weakness is identified, we will employ qualified personnel and adopt and implement policies and procedures to address any material weaknesses that we identify. However, the process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. We cannot assure that the measures we will take will remediate any material weaknesses that we may identify or that we will implement and maintain adequate controls over our financial process and reporting in the future.

Any failure to complete our assessment of our internal control over financial reporting, to remediate any material weaknesses that we may identify or to implement new or improved controls, or difficulties encountered in their implementation, could harm our operating results, cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of the periodic management evaluations of our internal controls and, in the case of a failure to remediate any material weaknesses that we may identify, would adversely affect the annual auditor attestation reports regarding the effectiveness of our internal control over financial reporting that are required under Section 404 of the Sarbanes-Oxley Act. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

We do not intend to pay dividends.

We do not anticipate paying cash dividends on our common stock in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide in our sole discretion not to pay dividends. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if

dividends are paid, there is no assurance with respect to the amount of any such dividend.

Volatility in our common share price may subject us to securities litigation, thereby diverting our resources that may have a material effect on our profitability and results of operations.

As discussed in the preceding risk factors, the market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management 's attention and resources.

If we are unable to continue as a going concern, investors may face a complete loss of their investment.

The independent auditor's report on our financial statements contains explanatory language that substantial doubt exists about our ability to continue as a going concern. The report states that we depend on the continued contributions of our executive officers to work effectively as a team, to execute our business strategy and to manage our business. The loss of key personnel, or their failure to work effectively, could have a material adverse effect on our business, financial condition, and results of operations. If we are unable to obtain sufficient financing in the near term or achieve profitability, then we would, in all likelihood, experience severe liquidity problems and may have to curtail our operations. If we curtail *our* operations, we may be placed into bankruptcy or undergo liquidation, the result of which will adversely affect the value of our common shares.

Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses and pose challenges for our management team.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

NOTE 12 -OTHER RISKS

Trends, Risks and Uncertainties

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our common stock.

NOTE 13 – ASSUMPTION OF KEY LIABILITIES IN SETTLEMENT OF LITIGATION

The Company assumed certain obligations of investors in the prior mining company, Kapake Mining, Inc. These obligations are reflected as the obligations of the Company on the financial statements. These obligations were assumed in settlement between the various stakeholders to avoid costly litigation and reflect and arm's length transaction between unrelated parties.

NOTE 14 – LITIGATION

Randall S. Goulding, as assignee for the original plaintiff, Securities Counselors, Inc., v. Osceola Gold, Inc., and Pizz Inc., a Nevada corporation Case No. 1:16-cv-04860

On April 5, 2016, Securities Counselors, Inc. filed suit in the *Circuit Court of Cook County, Illinois, County Department, Law Division* against Osceola Gold, Inc. and Pizz Inc. alleging a breach of their attorney-client agreement pursuant to which Securities Counselors had allegedly agreed to perform legal services for Osceola and Pizz and Osceola and Pizz had allegedly agreed to pay for certain specified services, plus costs and additional services billed at an hourly rate. Securities Counselors, Inc. has made a demand of Osceola and Pizz in the amount of $191,173.63. Osceola and Pizz has made a demand of Securities Counselors, Inc. of $1,142,902.91. On May 2, 2016, Osceola and Pizz filed a Notice of Removal removing the action from the *Circuit Court of Cook County, Illinois, County Department, Law Division* to the *United States District Court in the Northern District of Illinois*. On May 19, 2016, Osceola and Pizz filed a first Motion to Dismiss for Failure to State a Claim. On or about June 16, 2016, Securities Counselors filed a Motion to File an Amended Complaint. On June 22, 2016, a hearing was held on Securities Counselor's Motion to File an Amended Complaint and, as Securities Counselor did not appear to present the Motion, the Motion was denied. On June 22, 2016, Securities Counselors filed a first Motion to File a First Amended Complaint. On June 29, 2016, the Court entered an Order granting Securities Counselor's Motion to File a First Amended Complaint. On July 6, 2016, Securities Counselors filed a First Amended Complaint. On July 20, 2016, Osceola Gold and Pizz filed a Motion to Dismiss the First Amended Complaint for Failure to State a Claim. On August 3, 2016, Securities Counselors filed a Response in Opposition to Osceola Gold and Pizz's Motion to Dismiss the First

Amended Complaint for Failure to State a Claim. On August 16, 2016, Osceola Gold and Pizz filed a Reply in Support of Osceola Gold and Pizz's Motion to Dismiss the First Amended Complaint for Failure to State a Claim. On November 9, 2016, Osceola Gold and Pizz's Motion to Dismiss the First Amended Complaint for Failure to State a Claim was denied. On December 2, 2016, Osceola Gold and Pizz filed an Answer and Counterclaims. On January 11, 2017, Randall S. Goulding, as assignee for the original plaintiff, Securities Counselors, Inc. filed a Motion to Dismiss for Failure to State a Claim. On January 25, 2017, Osceola Gold and Pizz Inc. filed an Opposition to Motion to Dismiss for Failure to State a Claim for the Counterclaims. On January 11, 2017, Randall S. Goulding, as assignee for the original plaintiff, Securities Counselors, Inc. filed a Reply to Defendant Osceola Gold and Pizz, Inc.'s Opposition to the Motion to Dismiss for Failure to State a Claim. On February 21, 2017, Randall S. Goulding, as assignee for the original plaintiff, Securities Counselors, Inc.'s motion to dismiss and strike Osceola Gold and Pizz, Inc.'s counterclaims was granted in part and denied in part. Depositions were conducted in April and July 2017. Discovery closed at the end of the July depositions. The parties entered into a joint pre-trial order on September 1, 2017. The matter is set for trial on November 14, 2017. Osceola Gold and Pizz intend to continue to vigorously defend against the claims asserted by Securities Counselors, Inc. On April 5, 2016, Securities Counselors, Inc. filed suit against Osceola Gold, Inc. and Pizz Inc. in a fee dispute in the amount of $191,173.63. Osceola and Pizz has made a demand of Securities Counselors, Inc. of $1,142,902.91. The matter is set for trial on November 14, 2017. Osceola Gold and Pizz intend to continue to vigorously defend against the claims asserted by Securities Counselors, Inc. We are unable estimate either the likelihood of an outcome of this matter, or the amount that will be awarded to the prevailing party.

Lattuca v. Genesis Electronics, Inc. et al - Case No. 3:17-cv-00400-HLA-JBT

On March 24, 2017, Lattuca entered on short notice an order demanding Osceola Gold, Inc., f/k/a PhyHealth Corp. appear to show why it should not satisfy the judgment of an investor, Genesis Electronics, Inc. Lattuca has made an unspecified demand at this time. On April 7, 2017, Osceola Gold, Inc. filed a notice of removal to the United States District Court for the Middle District of Florida. On June 29, 2017, Lattuca filed a motion for miscellaneous relief, specifically a Motion to Proceed Under Rule 69 and Florida Statute 56.29 Proceedings Supplementary. On June 29, 2017, Lattuca also filed a motion for miscellaneous relief, specifically a Motion for Relief from the Notice of Designation or in the Alternative Extension of Time to File Case Management Report. On August 14, 2017, the United States District Court for the Middle District of Florida *sua sponte* filed an Order to Show Cause for Osceola Gold, Inc. to show why the matter should not be remanded to the Superior Court of Florida for St. John's County. On August 23, 2017, Osceola Gold, Inc. filed a response to the Order to Show Cause. We are unable estimate either the likelihood of an outcome of this matter, or the amount that will be awarded to the prevailing party. Osceola Gold intends to continue to vigorously defend against the claims asserted by Lattuca.