BAUMAN & ASSOCIATES LAW FIRM

FREDERICK C. BAUMAN

Attorney-at-Law

Nevada Bar No. 8370

6440 Sky Pointe Dr., Ste 140-149

Las Vegas, NV 89131 U.S.A.

www.lawbauman.com

(702) 533-8372

(800) 991-8697

fred@lawbauman.com

July 12, 2017

Mr. Wayne Bailey, CEO
Las Vegas Railway Express, Inc.
9480 S. Eastern Ave, Ste 205
Las Vegas, NV 89123

Reference: Las Vegas Railway Express, Inc. – Not a Shell Company

Ladies and Gentlemen,

Our opinion has been requested concerning Las Vegas Railway Express, Inc. (ticker: "XTRN"), a corporation organized under the laws of the State of Delaware (the "Corporation" or the "Company"). For the reasons outlined below, it is our opinion that the Issuer is not a shell company and has never been a shell company.

We have represented the Company as corporate and securities counsel since 2015. We have reviewed the filings of the Corporation on the SEC's EDGAR system and on the OTCMarkets.com website. We are of the opinion that the Corporation is not presently a shell company as defined in Rule 230.405 of the Securities Act and that it has never been a shell company.

The Securities and Exchange Commission has issued Rule 144 under Section 4(1) of the Securities Act of 1933, as amended. Rule 144(i) provides as follows:

> *Unavailability to securities of issuers with no or nominal operations and no or nominal non-cash assets.*
>
> 1. *This section is not available for the resale of securities initially issued by an issuer defined below:*
>   i. *An issuer other than a business combination related shell company, as defined in Rule 230.405 or an asset backed issuer as defined in Item 1101(b) of Regulation AB (Item 229.1101(b) of this chapter), that has:*
>
>   *A. No or nominal operations; and*
>   *B. Either:*

i. *No or nominal assets;*
ii. *Assets consisting solely of cash and cash equivalents; or*
iii. *Assets consisting of any amount of cash and cash equivalents and nominal other assets; or*

C. *An issuer that has been at anytime previously an issuer described in paragraph (i)(1)(i).*

Footnote 32 Shell

The Securities and Exchange Commission issued Release 33-8587 to require shell companies that merge with operating companies to file a "super 8-K" shortly after the merger. The part of this release the Company focuses on here in Footnote 32, which reads as follows:

> *"We have become aware of a practice in which the promoter of a company and/or affiliates of the promoter appear to place assets or operations within an entity with the intent of causing that entity to fall outside of the definition of blank check companies in Securities Act Rule 419. The promoter will then seek a business combination transaction for the company with the assets or operations being returned to the promoter or affiliate upon the completion of that business combination transaction."*
>
> *"It is like that similar schemes will be undertaken with the intention of evading the definition of shell company that we are adopting today. In our view, when promoters (or their affiliates) of a company that would otherwise be a shell company place assets or operations in that company and those assets or operations are returned to the promoter or to its affiliates (or an agreement is made to return those assets or operations to the promoter or its affiliates) before, upon completion of, or shortly after a business combination transaction by that company, those assets or operations would be considered "nominal" for purposes of the definition of shell company."*

Also of interest is Footnote 31 in this Release:

> *"One commenter discussed the application of the proposals to "living dead" companies. See letter from Mike Liles, Jr. As described in this comment letter, a "living dead" company is a former operating company with minimal or limited operations. We believe that a former operating company that meets the assets and operations standards in the definition of shell company would be subject to the rules and rule amendments that we are adopting today."*

As management reads this, the Securities and Exchange Commission will also see a "living dead" company as a shell. However, this is nothing more than reiterating the guidelines of Rule 144 as to what is a shell company – minimal operations or assets.

There are some factors that management believes will be used in determining if a company is a shell, including the time of operation, type of business potential, a start-up or very early stage company is doing an IPO or other going public event and allowing shareholders to resell their stock in the public market, if the filing is completed less than one year after the company is started, if the IPO is seeking to raise very few dollars and usually ends up raising less, if management of the company has little or no experience in

the supposed business they are creating – or have experience in securities, corporate consulting or other specialties closely associated with Wall Street, if the company owns rights in entertainment projects that have not been developed, if the officers, directors, large shareholders or consultants have launched small companies of the sort described above many times before.

In its 111-page release on changes to Rule 144, the Securities and Exchange Commission stated in footnote 172 that a start-up business, or one with minimal operations, does not necessarily fit the definition of a shell company.

This is a notable change from several years ago when the Securities and Exchange Commission defined a shell company as one with no or nominal assets and no real operations. Most reverse merger practitioners understood "nominal" to mean have less than $1,000,000 in operations or non-cash assets.

We believe that this new definition assists legitimate, smaller companies on the Bulletin Board that have real operations who can avoid any stigma of being a shell. This gives a much wider berth of how a small business can view their company. A combination of footnote 172 and (other Rule 144 changes) allows an emerging growth company to qualify.

The Facts

The Issuer is not presently, in our opinion, a shell company, as its most recent Quarterly Report posted on OTCMarkets.com reports assets of $206,419 (including 1,955 of cash) at March 31, 2017 and operating expenses of $846,302 for the year then ended. This is indicative of more than nominal assets and operations as of March 31, 2017. The company has followed a focused business plan under its present management since 2010 of developing a tourist passenger railroad service from Los Angeles to Las Vegas. In its Form 10-K filed November 14, 2010, the Company reported assets of $958,840 (including $5,871 of cash) at March 31, 2010 and operating expense of $825,660 for the fiscal year ended March, 2010. Prior to that, the Company operated under the name Liberty Capital Assets Management, Inc., again under its present management. That business reported assets of $6,213,515 (including $45,840 of cash) at February 25, 2009 and $598,459 of revenues for the three months then ended.

The Company was incorporated in Delaware on March 9, 2007, and present management did not take control of the Company until November 2008. During its initial year and a half of existence, the Company was in start-up mode, and was following a focused business plan of on-line sales of corporate promotional products through a proposed internet site under the name Corporate Outfitters. The Company's founder, David Taigen, had ten years' experience in the promotional apparel business and had previously founded a successful company under the same name, which he subsequently sold before founding the Company. The Company's initial public offering (registered on Form SB-2) raised $100,000, and the Company was initiating the building of its proposed retail website. However, for valid business reasons, the Company decided to purchase Liberty Capital Asset Management, a substantial existing business, rather than continue the arduous path of starting up yet another corporate apparel business.

The Company's first two Forms 10-QSB (filed November 13, 2007 and February 13, 2008) did not take a position on whether or not the Company was a shell company. There followed a Form 10-K (for the period ended March 31, 2008) and two Forms 10-Q / 10-Q/SB that initially took the position that the

Company was a shell company. The 10-Q was amended November 26, 2008 to make it clear that the Company was not a shell company. The March 31, 2008 10-K was amended March 14, 2016 to state that the Company was not a shell company.

While the Company's reported assets and operating expenses from March 2007 to November 2008 were modest they were more than "nominal." Black's Law Dictionary defines "nominal" as: "titular; existing in name only, not real or substantial; connected with the transaction or proceeding in name only, not in interest, not real or actual; merely named, stated or given, without reference to actual conditions; often with the implication that the thing named is small, slight, or the like, in comparison to what might properly be expected, as scarcely to be entitled to the name; e.g., a nominal price.

As stated above, during this 1 ½ year startup period in 2007 and 2008, the Company raised $100,000 and set about implementing its business plan. This is not, in our opinion, what is meant by nominal assets and operations indicative of a shell company

Accordingly, it is our opinion that Las Vegas railway Express, Inc. is not a shell company and has never been a shell company.

Sincerely,

BAUMAN & ASSOCIATES LAW FIRM

By Frederick C Bauman

Frederick C. Bauman