

**Texas Wyoming Drilling, Inc.**

**Consolidated Statements of Income and Comprehensive Income**

Net Sales		\$ 371,273.93
cost of sales		\$ 63,120.35
Gross Profit	\$	\$ 308,153.58
Other Operating Income		
Operating expenses		\$ 299,227.24
General and Administrative expenses		
Financial expenses		
Total Operating Income	\$	\$ 8,926.34
Subsidy Income		
Non-operating income		
Non-operating expenses, net		
Net Income before income taxes	\$	\$ 8,926.34
Income taxes		
Net Income	\$	\$ 8,926.34
Other Comprehensive Income		
Comprehensive Income	\$	\$ 8,926.34
Earnings per share-Basic and diluted	\$	
Weighted Average number of shares outstanding		

(The accompanying notes are an integral part of the financial statements)

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Accrual Basis

Consolidation Statement For Texas Woming Drilling, Inc

Balance Sheet

As of Mar. 31, 2011  
Mar 31, 2011

ASSETS

Current Assets

Checking/Savings

2010 Fuel	2,217.59
Analyzed Business Services Pack	21,049.90
Business Market Rate Savings	0.05
Checking-Fuel-Wells Fargo	728.35
Legacy Rock Checking	19,455.39
Legacy Rock General	741.60
Savings- Wells Fargo Legacy	262.35
Wells Fargo	-942.75

Total Checking/Savings 43,512.48

Accounts Receivable

Account Receivable	416,979.69
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Total Accounts Receivable 416,979.69

Other Current Assets

Due from Scott Whipple Co	21,218.98
Inventory	22,250,000.00
Petty Cash	300.00

Total Other Current Assets 22,271,518.98

Total Current Assets 22,271,518.98

Fixed Assets

Accumulated Depreciation	-3,226,173.00
Equipment	3,308,869.32
Furniture and Equipment	9,382.68
Legacy Rock	10,050,000.00
Nevada Strategic Metals Inc	10,000.00
Vehicles	504,441.73
Yellow Jacket Mine	167,744.00

Total Fixed Assets 10,824,264.73

Other Assets

Due from Silver State Crusher	22,750.00
Jacket Mine	
Mine Research and Testing	12,150.00

Total Jacket Mine 12,150.00

Loans to Stockholder	25,652.52
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Reserve	460.91
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Total Other Assets 61,013.43

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Consolidation Statement For Texas Woming Drilling, Inc

Balance Sheet

As of Mar 31, 2011  
Mar 31, 2011

TOTAL ASSETS 33,617,289.31

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 77,053.66

Total Accounts Payable 77,053.66

Other Current Liabilities

MVFCU Loan 18,410.01

NP Al Roensch 750.00

NP Legacy 10,030,000.00

NP Robert Michet 7,500.00

NP Margaret 52,399.72

Payroll Liabilities 11,063.42

Sales Tax Payable 339.65

Susan Whipple Loan 32,395.00

Total Other Current Liabilities 10,152,857.80

Total Current Liabilities 10,229,911.46

Long Term Liabilities

2006 Ford - Green 16,953.69

2006 Ford Pickup 0.00

2006 Ford Pickup - White 0.00

FCC Equipment Revolving Credit 1,303,739.45

Total Long Term Liabilities 1,320,693.14

Total Liabilities 11,550,604.60

Equity

Additional Paid in Capital 174,123.55

Capital Stock-Texas Wyoming

Common stock/paid in capital

Issued 67,489,400 @ .01 Par 674,894.00

Total Common stock/paid in capital 674,894.00

Total Capital Stock-Texas Wyoming 674,894.00

Capital Stock - M3 Mining

Common Stock - paid in capital

Issued 27,103,810 @.01 par 271,038.10

Total Common Stock - paid in capital 271,038.10

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**Consolidation Statement For Texas Woming Drilling, Inc**

**Balance Sheet**

**As of Mar. 31, 2011**  
Mar 31, 2011

Total Capital Stock - M3 Mining	271,038.10
Net Income	8,926.34
Opening Bal Equity	11,329.62
Retained Earnings	<u>20,926,333.10</u>
Total Equity	<u>22,066,644.71</u>
 TOTAL LIABILITIES & EQUITY	 <u><u>33,617,249.31</u></u>



**Texas Wyoming Drilling, Inc.**  
**Consolidated Statements of Cash Flow**

	Month	31-Mar-11
<b>Cash Flows from Operating Activities</b>		
Net Income	\$	8,926.34
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	\$	10,891.50
Imputed interest expense	\$	27,820.36
Changes in operating assets and liabilities:	\$	-
Accounts Receivable	\$	519,280.47
Inventories		
Prepayments		
Deferred expense		
Other current assets	\$	-
Notes payable	\$	30,950.00
Accounts payable	\$	(17,670.96)
Advances from Customers		
Other payable	\$	(3,816.60)
Deferred assets		
<b>Net Cash (used in) Provided by Operating Activities</b>	\$	576,381.11
<b>Cash Flows from Investing Activities:</b>		
Changes in restricted cash	\$	
Acquisition of property, plant and equipment		
Purchase of intangible assets		
<b>Net Cash Used in Investing Activities</b>	\$	
<b>Cash Flows from Financing Activities:</b>		
Inception of bank loans, net	\$	(509,667.80)
Issuance of common stock		
Capital contributions		
Due to related parties		
<b>Net Cash Provided by Financing Activities</b>	\$	(509,667.80)
<b>Net Changes in Cash and Cash Equivalents</b>	\$	28,001.65
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
<b>Cash and cash equivalents, beginning of month or year</b>	\$	4,580.33

**Supplementary Cash Flows Disclosures**

Interest paid	\$	0
Income taxes paid	\$	0

<b>Texas Wyoming Drilling, Inc.</b>		<b>31-Mar-11</b>
<b>Current assets:</b>	\$	
Cash and Cash equivalents	\$	43,472.48
Restricted Cash		
Accounts receivable	\$	416,979.69
Prepayments		
Inventory	\$	22,250,000.00
Deferred expense		
Other current assets	\$	481,971.15
<b>Total current assets</b>	\$	23,192,423.32
Property, plant, and equipment, net	\$	10,824,264.73
Land use right, net		
Licence Rights		
Deferred assets	\$	61,013.43
<b>Total assets</b>	\$	\$ 34,737,304.96
<b>Current liabilities:</b>		
Short-term loans	\$	
Notes payable		
Accounts payable	\$	77,053.66
Advance from Customers		
Other payables	\$	10,152,857.80
Long-term debt-current portion	\$	1,320,693.14
<b>Total current liabilities</b>	\$	\$ 11,550,604.60
<b>Non-current liabilities:</b>		
Long-term debt		
Due to related parties		
<b>Total liabilities</b>	\$	\$ 11,550,604.60
<b>Total Stockholder's equity:</b>		
Common stock, \$0.001 par value 700 million authorized		
67,489,400 shares issued and outstanding	\$	271,038.10
respectively at March 31,2011	\$	674,894.00
Paid-in capital	\$	174,123.55
Retained earnings (Accumulated deficit)	\$	22,066,644.71
Accumulated other comprehensive income		
<b>Total Stockholder' Equity</b>	\$	\$ 23,186,700.36
<b>Total liabilities and stockholders' equiy</b>	\$	\$ 34,737,304.96

(The accompanying notes are an integral part of the financial statements)

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3/31/2010  
Accrual Basis

Consolidation Statement For Texas Woming Drilling, Inc  
STATEMENT OF STOCKHOLDER'S EQUITY CHANGE

	Dec 31, 2010	As of Mar. 31, 2011 Mar 31, 2011
Equity		
Additional Paid in Capital	174,023.55	174,123.55
Capital Stock-Texas Wyoming		
Common stock/paid in capital		
Issued 67,489,400 @ .01 Par	674,894.00	674,894.00
Total Common stock/paid in capital	674,894.00	674,894.00
Common Stock - paid in capital		
Issued 27,103,810 @ .01 par	271,038.10	271,038.10
Total Common Stock - paid in capital	271,038.10	271,038.10
Total Capital Stock	1,119,955.65	1,120,055.65
Opening Bal Equity	11,329.62	11,329.62
Retained Earnings	-1,234,593.90	20,926,333.10
Net Income	-89,644.02	8,926.34
Total Equity	-1,312,908.30	20,946,589.06
TOTAL EQUITY	-192,952.65	22,066,644.71

Texas Wyoming, Inc.

Consolidated Statement of Shareholders' Equity

Earnings	Accumulated Other	Common Stock Total	Amount	Additional Paid in Capital	Retained
<b>Comprehensive Income</b>					
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Balance, March 31, 2011		67,489,400	\$674,894.00	174,123.55	20,926,333.10
\$21,775,350.65					
Capital contribution during the quarter					
Imputed interest during the quarter					
Net income for the quarter					
Currency translated adjustment					
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Balance, March 31, 2011		67,489,400	674,894.00	174,123.55	20,926,333.10
\$21,775,350.65					
Additional common stock issuance					
Adjustments					
Capital contribution during the quarter					
Imputed interest during the quarter					
Net income for the quarter					
Currency translation adjustment					
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Balance, March 31, 2011		67,489,400	674,894.00	174,123.55	20,926,333.10
\$21,775,350.65					

(The accompanying notes are an integral part of the financial statements)



## **Financial Statement Notes**

**March 31, 2011**

### **Note 1. Accounting Policies**

Texas Wyoming Drilling, Inc. accounting policies conform to generally accepted accounting principles. Significant policies followed are described below:

#### **Basis of Presentation**

The consolidated financial statements include the accounts of Texas Wyoming Drilling, Inc., M3 Mining, Inc. and Legacy Rock Inc.

#### **Income**

The income generated for the companies comes strictly from sale of product by Legacy Rock Inc. at present.

#### **Expenses**

Expenses are charged in the month they are incurred.

#### **Property, depreciation and depletion**

Property and research expenses are stated at cost. The property will be depreciated on a straight-line for accounting and tax purposes. Research will be depleted on a straight-line for accounting and tax purposes.

### **Note 2. Liabilities**

A Note Payable was added during the first quarter for monies lent to the Corporation.

### **Note 3. Equity**

Statement of equity is attached. Changes that occurred in this quarter of 2010 are:

1. Texas Wyoming Drilling purchased Legacy Rock and Nevada Strategic Metals in exchange for Texas Wyoming Stock.

### **Note 4. Balance Sheet**

There were additional assets and liabilities added during second quarter to cover the Balance Sheet items that were Legacy Rock Inc.

**Additional Notes to Financial Statements for  
Texas Wyoming Drilling**

- a. Additional Capital is from a sale of currently issued stock at a profit.
- b. Margaret Navarro Family Trust contributed additional monies to pay the expenses for the quarter.
- c. Travel was for multiple trips for investors, owners and legal transactions.
- d. Yellow Jacket purchase was in exchange for stock in Texas Wyoming.