Quarterly Financial Statements

For the three and nine months ended September 30, 2012

Universal Tracking Solutions, Inc.
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NOTICE TO READER

The accompanying unaudited financial statements have been prepared by and are the responsibility of the Company's management. An independent auditor has not performed a review of these unaudited interim financial statements.

UNIVERSAL TRACKING SOLUTIONS, INC.
QUARTERLY PERIOD ENDED SEPTEMBER 30, 2012

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UNIVERSAL TRACKING SOLUTIONS, INC.
BALANCE SHEET
SEPTEMBER 30, 2012 AND DECEMBER 31, 2011
(Unaudited)

	2012 (unaudited)	2011 (unaudited)
Current Assets:		
Cash	$ 53,211	$ 23,602
Accounts Receivable	79,045	148,052
Inventory	4,449	3,903
Total Current Assets	136,705	175,557
Property and Equipment, net	1,738	1,738
Other Assets:	20,120	10,370
Total Assets	**158,563**	**187,665**
Current Liabilities:		
Accounts Payable	42,464	41,952
Notes Payable, Short Term	29,441	29,441
Unearned Access Revenue	64,171	75,608
Accrued Liabilities	18,262	18,451
Total Current Liabilities	154,338	165,452
Long Term Liabilities		
Notes payable, Long term	19,500	19,500
Unearned Access Revenue	18,548	31,659
Total Long Term Liabilities	38,048	51,159
Total Liabilities:	192,386	216,611
Stockholders' Equity (Deficit):		
Common stock at $0.0001 par value; 100,000,000 shares authorized; issued and outstanding: 29,624,373 shares September 30, 2012; 22,124,373 December 31, 2011	2,962	2,212
Additional pay-in capital	588,937	552,187
Accumulated deficit	(625,722)	(583,345)
Stockholders' Equity	(33,823)	(28,946)
Total Liabilities and Stockholders' Equity:	$ **158,563**	**187,665**

See accompanying notes to these financial statements.

UNIVERSAL TRACKING SOLUTIONS, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
Revenue	$ 306,920	$ 197,908	$ 989,456	$ 482,049
Cost of Revenue	203,648	89,723	674,363	23,363
Gross Profit	103,272	108,185	315,093	228,696
Operating Expenses:				
General and Administrative	97,194	54,122	343,666	150,736
Professional Fees	100	2,182	2,650	5,629
Miscellaneous Expense	675	466	3,365	710
Total Operating Expenses	97,969	56,770	349,681	157,075
Other Income (Expense)				
Miscellaneous Income	-	58	225	58
Interest Income (Expense)	(2,385)	(1,708)	(8,041)	(5,438)
Total Other Income (Expense)	(2,385)	(1,650)	(7,789)	(5,380)
Net Income (Loss)	2,918	49,765	(42,377)	66,241
Basic and diluted loss per share	$ -	$ -	$ -	$ -
Weighted average number of common shares outstanding	29,624,373	22,124,373	25,457,706	21,902,151

See accompanying notes to these financial statements.

UNIVSERSAL TRACKING SOLUTIONS, INC.
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTMBER 30, 2012 AND 2011
(Unaudited)

	2012 (unaudited)	2011 (unaudited)
Net income (loss)	$ (42,377)	$ 66,241
Adjustments to reconcile net loss to net cash flows from operating activities:		
Accounts receivable	69,007	(50,990)
Inventory	(546)	(1,719)
Other current assets	-	4,869
Accounts payable	512	(100)
Notes payable, short term	-	4,918
Unearned access revenue	(11,437)	(7,411)
Accrued liabilities	(189)	(221)
Total adjustments	57,347	(50,654)
Net cash flows from operating activities	14,970	15,587
Cash Flows From Investing Activities		
Purchase of property and equipment	-	-
Other assets	(9,750)	19,949
Net cash flows from investing activities	(9,750)	19,949
Cash Flows From Financing Activities		
Proceeds from notes payable	-	(500)
Unearned access revenue	(13,111)	-
Proceeds from sale of common stock	37,500	1,300
Net cash provided by financing activities	24,389	800
Net Change in Cash	29,609	36,336
Cash, Beginning of the Period	23,602	12,045
Cash, End of the Period	$ 53,211	$ 48,381

See accompanying notes to these financial statements.

UNIVERSAL TRACKING SOLUTIONS, INC.
NOTES TO FINANCIAL STATEMETS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012

Note A - Nature of Operations and Basis of Presentation

The accompanying September 30, 2012 consolidated financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for the nine months ended September 30, 2012 and for all periods presented have been made.

Nature of Operations

Universal Tracking Solutions, Inc. was incorporated on July 11, 2006 in the state of Nevada ("UTS", or the "Company"). UTS is an application based solutions provider of telemetry tracking systems. UTS specialize in fleet management, law enforcement, and finance applications as well as the motorcycle and auto industries.

Merger

On May 2, 2008, the shareholders of UTS entered into a share exchange agreement with Dynamic Merger Shell, Inc. (later amended to substitute Dynamic Merger Sub, Inc.), a wholly-owned subsidiary of the Issuer. The share exchange agreement is included in a 14C filed with the Securities and Exchange Commission on September 18, 2008. The acquisition of UTS as a subsidiary of the Issuer was consummated on October 8, 2008.

The Share Exchange Agreement between Dynamic and the Shareholders of Universal Tracking Solutions, Inc. (the "Plan of Share Exchange") generally provides for the following:

1) Universal Tracking Solutions, Inc. will become a wholly-owned subsidiary of Dynamic Natural Resources, Inc. upon the execution of the terms of the Plan of Share Exchange and compliance with the requirements of the laws of Nevada with respect to share exchange transactions;

2) Dynamic Natural Resources, Inc. shall issue and deliver to UTS shareholders Seven Million Eighty-Two Thousand Five Hundred (7,082,500) shares of Dynamic's validly issued, fully-paid and non-assessable restricted Common Stock, $0.0001 par value per share in exchange for UTS' shareholders' transfer of their 64% ownership interest in UTS or 7,082,500 book entry shares of UTS common stock, $0.0001 par value per share (the "UTS Shares") constituting all of the issued and outstanding capital stock of UTS not owned by Dynamic Natural Resources, Inc., upon the terms, provisions, and conditions and for the consideration hereinafter set forth in the Share Exchange Agreement, and thereby making UTS a wholly-owned subsidiary of the Issuer;

3) Upon the effectiveness of the Plan of Share Exchange, each outstanding share of Universal Tracking Solutions, Inc. will be converted into a single share of Dynamic Natural Resources, Inc. without any action on the part of the holder thereof; and

4) The Plan of Share Exchange shall be effected by the filing of respective articles and plans of share exchange with the State of Nevada Secretary of State.

5) Dynamic Common Stock Certificates will be distributed after the Effective Date of the Plan of Share Exchange. The Effective Date will occur at least 20 days after the filing of an Information Statement with the SEC and at least 10 days after mailing of the Information Statement to the Issuer's shareholders.

6) UTS shareholders of record as of May 1, 2008 are eligible to participate in the share exchange.

The determination of the exchange ratio in the share exchange was based on the relative degree of control UTS' controlling shareholders agreed to relinquish in exchange for the potential benefits that ownership of a public issuer may offer, on the one hand, and, on the other hand, the assurance of continued opportunities to increase the value of Issuer holdings.

At the Effective Date of the share exchange, holders of UTS common stock ceased to be stockholders of UTS and will no longer have any rights as UTS stockholders, other than the right to receive the applicable consideration in the share exchange. After the Effective Date, there will be no transfers on UTS' stock transfer books of any shares of UTS common stock.

The term sheet also contained a condition precedent to the Share Exchange Agreement that the Issuer shall have effected a reverse split of its common stock and have issued a stock dividend to the September 15, 2006 shareholders of the Issuer. These actions occurred in April 2008.

The merger was accounted for as a reverse acquisition and recapitalization. Universal Tracking Solutions is the acquirer for accounting purposes and Dynamic Natural Resources is the issuer. Accordingly, Universal Tracking Solutions' historical financial statements for periods prior to the acquisition become those of the acquirer retroactively restated for the equivalent number of shares issued in the merger.

Basis of Presentation

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Product and service revenue and the related labor costs and payroll are recorded in the period in which services are performed or products are delivered. All revenues are accounted for once they are earned. Units Sales are reported upon delivery of the product and the month maintenance fees are recognized when service is provided. Customers typically pay for monitoring services on a monthly basis.

Accounts Receivable

UTS' trade accounts receivable result from the sale of its products and services, and consist of private and public companies. UTS uses the allowance method to account for uncollectible accounts. Bad debt expense for the three months ended September 30, 2012 was $9,062.

Concentration of Credit Risk

Financial instruments, which potentially expose UTS to concentrations of credit risk consist principally of trade accounts receivable.

UTS' trade accounts receivable result from the sale of its products and services to customers, and customers consist of public and private companies. In order to minimize the risk of loss from these companies, credit limits, ongoing credit evaluation of its customers, and account monitoring procedures are utilized. Collateral is not generally required. Management analyzes historical bad debt, customer concentrations, customer credit-worthiness, current economic trends, and changes in customer payment tendencies, when evaluating the allowance for doubtful accounts. UTS had one customer account for more than 10% of sales in the three month period ended September 30, 2012. That customer was Enterprise GPS, representing 10% of sales. UTS had one customer account for more than 10% of accounts receivable in the three months ended September 30, 2012, Enterprise GPS (10%).

The Company is obligated to pay the salaries, wages, related benefit costs, and expenses. Accordingly, the Company's ability to collect amounts due from customers could be affected by economic fluctuations in its markets or these industries.

Financial Instruments

UTS estimates that the fair value of all financial instruments at September 30, 2012 do not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying balance sheets.

Property and Equipment

Property and equipment are recorded at historical cost and include expenditures, which substantially increase the useful lives of existing property and equipment. Maintenance and repairs are charged to operations when incurred.

Depreciation of property and equipment is computed primarily using the straight-line method based on estimated useful lives (furniture and fixtures, 6 to 7 years, office equipment 5 to 7 years, and computers and software, 3 to 5 years). Depreciation for income tax purposes is computed principally using the straight line method and estimated useful lives.

Advertising Cost

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. UTS did not have direct-response advertising costs during the three months ended September 30, 2012.

Accounting for Stock-based Compensation

UTS accounts for and reports its stock-based employee compensation arrangements using the intrinsic value method as prescribed in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees ("APB No. 25"), Financial Accounting Standards Board Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation ("FIN 44"), and Statement of Financial Accounting Standards No. 148 Accounting for Stock-Based Compensation - Transition and Disclosure ("SFAS 148"). Accordingly, compensation costs for stock options and warrants are measured as the excess, if any, of the fair value of the stock at the date of grant, over the stock option exercise price. Value Consulting accounts for stock issued to non-employees in accordance with the provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("SFAS No. 123") Under SFAS No. 123, stock option awards issued to non-employees are accounted for at their fair value on the date issued, where fair value is determined using the Black-Scholes option pricing method.

Income Taxes

UTS records its federal and state income tax liability in accordance with Statement of Financial Accounting Standards Statement No. 109 "Accounting for Income Taxes". Deferred taxes are provided for differences between the basis of assets and liabilities for financial statements and income tax purposes, using current tax rates. Deferred tax assets represent the expected benefits from net operating losses carried forward and general business credits that are available to offset future income taxes.

Income (Loss) Per Share

Net income (loss) per share is computed based upon the weighted average number of outstanding shares of the Company's common stock for each period presented.

Recent Accounting Pronouncements

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities". The statement amends and clarifies accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. This statement is designed to improve financial reporting such that contracts with comparable characteristics are accounted for similarly. The statement is generally effective for contracts entered into or modified after June 30, 2003. The Company currently has no such financial instruments outstanding or under consideration and does not expect the adoption of this standard to effect the Company's financial position or results of operations.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity". This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This statement is effective for financial instruments entered into or modified after May 31, 2003, and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. The Company currently has no such financial instruments outstanding or under consideration and therefore adoption of this standard currently has no financial reporting implications.

In June 2003, the United States Securities and Exchange Commission adopted final rules under Section 404 of the Sarbanes-Oxley Act of 2002. Commencing with our annual report for the year ended September 30, 2010, we will be required to include a report of management on our internal control over financial reporting. The internal control report must include a statement.

- of management's responsibility for establishing and maintaining adequate internal control over our financial reporting;
- of management's assessment of the effectiveness of our internal control over financial reporting as of year end; and
- of the framework used by management to evaluate the effectiveness of our internal control over financial reporting.

Furthermore, in the following fiscal year, it is required to file the registered accounting firm's attestation report separately on the Company's internal control over financial reporting on whether it believes that the Company has maintained, in all material respects, effective internal control over financial reporting.

In December 2003, the FASB issued FASB Interpretation No. 46, “Amended Consolidation of Variable Interest Entities” (“FIN No. 46”). This interpretation clarifies rules relating to consolidation where entities are controlled by means other than a majority voting interest and instances in which equity investors do not bear the residual economic risks. This interpretation is effective immediately for variable interest entities created after January 31, 2003 and, for interim periods beginning after December 15, 2003, for interests acquired prior to February 1, 2003. The Company does not currently have relationships with entities meeting the criteria set forth in FIN No. 46 and is not required to include any such entities in its financial statements pursuant to the provisions of FIN No. 46.

Effective as of December 31, 2004, the Company adopted the revised interpretation of Financial Accounting Standards Board (FASB) Interpretation No. 46 (FIN 46), “Consolidation of Variable Interest Entities,” (FIN 46-R). FIN 46-R requires that certain variable interest entities be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The Company does not have any investments in entities it believes are variable interest entities for which the Company is the primary beneficiary.

In December 2004, FASB issued SFAS No. 123 (revised 2004) "Share Based Payment" (SFAS No. 123R), a revision to Statement No. 123, Accounting for Stock-Based Compensation which supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees. The revised SFAS 123 eliminates the alternative to use Opinion 25's intrinsic value method of accounting and, instead, requires entities to recognize the cost of employee services received in exchange for awards of equity instruments based on the grant-date fair value of those awards. Furthermore, public entities are required to measure liabilities incurred to employees in share-based payment transactions at fair value as well as estimate the number of instruments for which the requisite service is expected to be rendered. Any incremental compensation cost for a modification of the terms or conditions of an award is measured by comparing the fair values before and after the modification. The Company has yet to determine the effect SFAS No. 123R may have on its financial statements, if any.

In December 2007, the FASB issued FASB Statement No. 141 (Revised 2007), *Business Combinations* (“SFAS No. 141(R)”), which requires the Company to record fair value estimates of contingent consideration and certain other potential liabilities during the original purchase price allocation, expense acquisition costs as incurred and does not permit certain restructuring activities previously allowed under Emerging Issues Task Force Issue No. 95-3 to be recorded as a component of purchase accounting. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, except for the presentation and disclosure requirements, which shall be applied retrospectively for all periods presented. The Company will adopt this standard at the beginning of the Company’s fiscal year ending September 30, 2009 for all prospective business acquisitions. The Company has not determined the effect that the adoption of SFAS No. 141(R) will have on its financial statements.

In December 2007, the FASB issued FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51* (“SFAS No. 160”), which causes noncontrolling interests in subsidiaries to be included in the equity section of the balance sheet. SFAS No. 160 applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, except for the presentation and disclosure requirements, which shall be applied retrospectively for all periods presented. The Company will adopt this standard at the beginning of the Company’s fiscal year ending September 30, 2009 for all prospective business acquisitions. The Company has not determined the effect that the adoption of SFAS No. 160 will have on its consolidated financial statements.

In March 2008, the FASB issued FASB Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133* (“SFAS No. 161”), which changes the disclosure requirements for derivative instruments and hedging activities. Pursuant to SFAS No.161, Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008 with early application encouraged. SFAS No. 161 encourages but does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In years after initial adoption, this Statement requires comparative disclosures only for periods subsequent to initial adoption. The Company will adopt this standard at the beginning of the Company’s year ending September 30, 2009. The Company does not expect the adoption of SFAS No. 161 to have a material impact on the financial results of the Company.

The FASB, the Emerging Issues Task Force and the Securities and Exchange Commission have issued certain other accounting pronouncements and regulations as of September 30, 2008 that will become effective in subsequent periods; however, management of Laufer does not believe that any of those pronouncements would have significantly affected Laufer’s financial accounting measurements or disclosures had they been in effect during 2008, and it does not believe that any of those pronouncements will have a significant impact on Laufer’s financial statements at the time they become effective.

Critical Accounting Policies

The preparation of financial statements and related notes requires us to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the financial statements.

Financial Reporting Release No. 60 requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. There are no critical policies or decisions that rely on judgments that are based on assumptions about matters that are highly uncertain at the time the estimate is made. Note 2 to the financial statements includes a summary of the significant accounting policies and methods used in the preparation of our financial statements.

Furthermore, public entities are required to measure liabilities incurred to employees in share-based payment transactions at fair value as well as estimate the number of instruments for which the requisite service is expected to be rendered. Any incremental compensation cost for a modification of the terms or conditions of an award is measured by comparing the fair values before and after the modification. The Company has yet to determine the effect SFAS No. 123R may have on its financial statements, if any.

There are no differences between historical and pro-forma stock based compensation value.

Note B - Income Taxes

For income tax purposes UTS had an accumulated deficit of $625,722 as of September 30, 2012, which can be used to offset future federal and state taxable income. No income tax benefit has been recorded in the accompanying financial statements since the recoverability of such assets is not reasonably assured through known future revenue sources.

Note C- Note Receivable

On October 1, 2006, UTS entered into a short-term, month to month loan with a shareholder for $20,000. As of September 30, 2012 the balance of the loan was $19,500.

Note D - Cash Flow Supplemental Information

Cash paid for interest during the quarter ended September 30, 2012 amounted to $2,385.

Note E - Stockholders' Equity

Issuance of Common Stock

UTS issued 7,500,000 shares of common stock during the nine months ended September 30, 2012. The shares, valued at $37,500, were issued as payment for various expenses.

Common Stock Warrants

As of September 30, 2012, there were no stock warrants outstanding.

Note F - Commitments and Contingencies

Operating Leases

UTS currently has no lease obligations. Our executive offices are located in Gilbert, AZ. Our executive offices are leased on a quarter-by-quarter basis. Payments are made in advance and there are no on-going lease obligations. The current lease rate is $1,200 per month.

Litigation

As of September 30, 2012, UTS did not have any outstanding legal issues outside of the ordinary course of business.

Note G – Consolidated Financials

The merger with Universal Tracking Solutions, Inc. was accounted for as a reverse acquisition and recapitalization. Universal Tracking Solutions is the acquirer for accounting purposes and Dynamic Natural Resources is the issuer. Accordingly, Universal Tracking Solutions' historical financial statements for periods prior to the acquisition become those of the acquirer retroactively restated for the equivalent number of shares issued in the merger.

Note H - Subsequent Events

There are no subsequent events.