WEED, INC.

(Formerly United Mines, Inc.)

Financial Statements
For the Three Months Ended
March 31, 2017 and 2016
(Unaudited)

CONTENTS

WEED, INC. (Formerly United Mines, Inc.)
BALANCE SHEETS
(Unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash	$ 167,015	$ 231
Prepaid expenses	40,508	5,053
Total current assets	207,523	5,284
Property and equipment, net	101,158	264
Total assets	$ 308,681	$ 5,548
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 22,557	$ 33,511
Accrued officer compensation	177,005	157,505
Accrued interest	37,993	36,760
Convertible notes payable	35,000	35,000
Notes payable, related parties	21,126	16,300
Total current liabilities	293,681	279,076
Commitments and contingencies	-	-
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value, 20,000,000 shares		
authorized, no shares designated, issued and outstanding	-	-
Common stock, $0.001 par value, 200,000,000 shares		
authorized, 103,135,973 and 103,953,307 shares issued and		
outstanding at March 31, 2017 and December 31, 2016, respectively	103,136	103,953
Additional paid in capital	15,788,499	15,219,762
Subscriptions payable, consisting of 425,000 and -0- shares		
at March 31, 2017 and December 31, 2016, respectively	377,500	-
Accumulated deficit	(16,254,135)	(15,597,243)
Total stockholders' equity (deficit)	15,000	(273,528)
Total liabilities and stockholders' equity (deficit)	$ 308,681	$ 5,548

See accompanying notes to financial statements.

WEED, INC. (Formerly United Mines, Inc.)
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31,	
	2017	2016
Revenue	$ -	$ -
Operating expenses:		
General and administrative	70,284	24,720
Professional fees	580,986	120,348
Depreciation and amortization	4,238	33
Total operating expenses	655,508	145,101
Net operating loss	(655,508)	(145,101)
Other expense:		
Interest expense	(1,384)	(1,227)
Net loss	$ (656,892)	$ (146,328)
Weighted average number of common shares outstanding - basic and fully diluted	103,393,921	61,118,307
Net loss per share - basic and fully diluted	$ (0.01)	$ (0.00)

See accompanying notes to financial statements.

WEED, INC. (Formerly United Mines, Inc.)
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)	$ (656,892)	$ (146,328)
Adjustments to reconcile net loss		
to net cash used in operating activities:		
Depreciation	4,238	33
Imputed interest on non-interest bearing related party debts	151	69
Shares issued for services	547,138	119,312
Decrease (increase) in assets:		
Prepaid expenses	(35,455)	775
Increase (decrease) in liabilities:		
Accounts payable	(10,954)	1,544
Accrued compensation	19,500	19,500
Accrued interest	1,233	1,158
Net cash used in operating activities	(131,041)	(3,937)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable, related parties	9,000	10,000
Repayments on notes payable, related parties	(4,174)	(6,000)
Proceeds from the sale of common stock	292,999	-
Net cash provided by financing activities	297,825	4,000
NET CHANGE IN CASH	166,784	63
CASH AT BEGINNING OF PERIOD	231	7
CASH AT END OF PERIOD	$ 167,015	$ 70
SUPPLEMENTAL INFORMATION:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Value of fixed assets acquired in exchange for stock	$ 105,132	$ -

See accompanying notes to financial statements.

WEED, INC.
(Formerly United Mines, Inc.)
Notes to Financial Statements
For the Three Months Ended March 31, 2017 and 2016
(Unaudited)

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Business
WEED, Inc. (the "Company"), (formerly United Mines, Inc.) was incorporated under the laws of the State of Arizona on August 20, 1999 ("Inception Date") as Plae, Inc. to engage in the exploration of gold and silver mining properties. On November 26, 2014, the Company was renamed from United Mines, Inc. to WEED, Inc. and was repurposed to pursue a business involving the purchase of land, and building Commercial Grade "Cultivation Centers" to consult, assist, manage & lease to Licensed Dispensary owners and organic grow operators on a contract basis, with a concentration on the legal and medical marijuana sector. The Company's plan is to become a True "Seed-to-Sale" company providing infrastructure, financial solutions and real estate options in this new emerging market. The Company, under United Mines, was formerly in the process of acquiring mineral properties or claims located in the State of Arizona, USA. The name was previously changed on February 18, 2005 to King Mines, Inc. and then subsequently changed to United Mines, Inc. on March 30, 2005. The Company trades on the OTC Pink Sheets under the stock symbol: BUDZ.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

The Company has a calendar year end for reporting purposes.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the 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.

Cash and Cash Equivalents
We maintain cash balances in non-interest-bearing accounts, which do not currently exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. There were no cash equivalents on hand for the periods presented herein.

Fair Value of Financial Instruments
Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, prepaid expenses and accrued expenses reported on the balance sheet are estimated by management to approximate fair value primarily due to the short term nature of the instruments.

Property and Equipment
Property and equipment is stated at the lower of cost or estimated net recoverable amount. The cost of property, plant and equipment is depreciated using the straight-line method based on the lesser of the estimated useful lives of the assets or the lease term based on the following life expectancy:

Software	3 years
Furniture and fixtures	5 years
Equipment	5-7 years

Repairs and maintenance expenditures are charged to operations as incurred. Major improvements and replacements, which have extend the useful life of an asset, are capitalized and depreciated over the remaining estimated useful life of the asset. When assets are retired or sold, the cost and related accumulated depreciation and amortization are eliminated and any resulting gain or loss is reflected in operations.

Impairment of Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable or is impaired. Recoverability is assessed using undiscounted cash flows based upon historical results and current projections of earnings before interest and taxes. Impairment is measured using discounted cash flows of future operating results based upon a rate that corresponds to the cost of capital. Impairments are recognized in operating results to the extent that carrying value exceeds discounted cash flows of future operations.

Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

Stock-Based Compensation

Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Company's stock based compensation issued for services was $547,138 and $119,312 for the three months ended March 31, 2017 and 2016, respectively.

Revenue Recognition

Sales on fixed price contracts are recorded when services are earned, the earnings process is complete or substantially complete, and the revenue is measurable and collectability is reasonably assured. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company will defer any revenue from sales in which payment has been received, but the earnings process has not occurred. Sales have not yet commenced on the MMJ business. The Company also did not recognize revenues from its previous mining operations during the periods presented herein.

Advertising and Promotion

All costs associated with advertising and promoting products are expensed as incurred. These expenses were $1,621 and $-0- for the three months ended March 31, 2017 and 2016, respectively.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided for significant deferred tax assets when it is more likely than not, that such asset will not be recovered through future operations.

Uncertain Tax Positions

In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

Recently Issued Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-04, *Intangibles – Goodwill and Other (Topic 350)*. ASU 2017-04 simplifies the subsequent measurement of goodwill by removing the second step of the two-step impairment test. The amendment requires an entity to perform its annual, or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The amendment should be applied on a prospective basis. ASU 2017-04 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company intends to early adopt the ASU in 2017.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which clarifies the definition of a business to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The standard will be effective for the Company in the first quarter of 2018. Early adoption is permitted. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements.

No other new accounting pronouncements, issued or effective during the three months ended March 31, 2017, have had or are expected to have a significant impact on the Company's financial statements.

Note 2 – Going Concern

As shown in the accompanying financial statements, the Company has no revenues, incurred net losses from operations resulting in an accumulated deficit of $16,254,135, and had negative working capital of ($86,158) at March 31, 2017. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new products and services to begin generating revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. The Company, however, is dependent upon its ability to secure equity and/or debt financing and there are no assurances that the Company will be successful; therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Related Party

Notes Payable

From time to time, the Company has received short term loans from officers and directors as disclosed in Note 7 below.

Capital Contributions

The Company imputed interest on non-interest bearing, related party loans, resulting in a total of $151 and $69 of contributed capital during the three months ended March 31, 2017 and 2016, respectively.

Note 4 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has certain financial instruments that must be measured under the new fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balance sheets as of March 31, 2017 and December 31, 2016, respectively:

	Fair Value Measurements at March 31, 2017		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 167,015	$ -	$ -
Total assets	167,015	-	-
Liabilities			
Convertible notes payable	-	35,000	-
Notes payable, related parties	-	21,126	-
Total liabilities	-	56,126	-
	$ 167,015	$ (56,126)	$ -

	Fair Value Measurements at December 31, 2016		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 231	$ -	$ -
Total assets	231	-	-
Liabilities			
Convertible notes payable	-	35,000	-
Notes payable, related parties	-	16,300	-
Total liabilities	-	51,300	-
	$ 231	$ (51,300)	$ -

The fair values of our related party debts are deemed to approximate book value, and are considered Level 2 inputs as defined by ASC Topic 820-10-35.

There were no transfers of financial assets or liabilities between Level 1, Level 2 and Level 3 inputs for the three months ended March 31, 2017 and the year ended December 31, 2016.

Note 5 – Property and Equipment

Property and equipment consist of the following at March 31, 2017 and December 31, 2016, respectively:

	March 31, 2017	December 31, 2016
Automobiles	$ 105,132	$ -
Office equipment	650	650
	105,782	650
Less accumulated depreciation	(4,624)	(386)
	$ 101,158	$ 264

Depreciation and amortization expense totaled $4,238 and $33 for the three months ended March 31, 2017 and 2016, respectively.

Note 6 – Convertible Notes Payable

Convertible notes payable consist of the following at March 31, 2017 and December 31, 2016, respectively:

	March 31, 2017	December 31, 2016
On December 7, 2007, the Company issued a 10% note payable to the Lebrecht Group, PC ("Lebrecht Note") for services rendered related to the registration of certain securities of the Company. The note and accrued interest were due December 7, 2008 and at the option of the holder payable in full on the maturity date or in 12 monthly payments beginning on the maturity date. The note and accrued interest are convertible to common shares at any time at the option of the holder at 75% of the average closing bid price on the five trading days immediately preceding the conversion. Management estimates, at this time, that 1,650,000 shares may be issued if this conversion feature is exercised. In accordance with generally accepted accounting principles, the 25% discount to market related to the beneficial conversion feature has been reported as a component of additional paid in capital. Additionally, since this represents a prepayment for services related to a future public offering, management had elected to offset the cost to future capital raised as a result of the offering, if any. Currently in default.	$ 35,000	$ 35,000

The Company recognized interest expense of $875 and $875 related to the convertible debts for the three months ended March 31, 2017 and 2016, respectively.

Note 7 – Notes Payable, Related Parties

Notes payable, related parties consist of the following at March 31, 2017 and December 31, 2016, respectively:

	March 31, 2017	December 31, 2016
On various dates, the Company received advances from the Company's CEO. The unsecured non-interest bearing loans were due on demand.	$ 4,826	$ -
On August 23, 2016, the Company received an unsecured, non-interest bearing loan in the amount of $3,000, due on demand from an affiliate, bearing interest at 10% per annum.	3,000	3,000
On January 21, 2015, the Company received an unsecured loan in the amount of $1,300, due on demand from an affiliate, bearing interest at 10% per annum.	1,300	1,300
On April 12, 2010, the Company received an unsecured, non-interest bearing loan in the amount of $2,000, due on demand from an affiliate. Interest is being imputed at the Company's estimated borrowing rate, or 10% per annum.	2,000	2,000
Over various dates in 2011 and 2012, the Company received unsecured loans in the aggregate amount of $10,000, due on demand, bearing interest at 10%, from an affiliate.	10,000	10,000
Notes payable, related parties	$ 21,126	$ 16,300

The Company recorded interest expense in the amount of $509 and $352 for the three months ended March 31, 2017 and 2016, respectively, including imputed interest expense in the amount of $151 and $69 for the three months ended March 31, 2017 and 2016, respectively related to notes payable, related parties.

Note 8 – Commitments and Contingencies

On November 8, 2016, the Company entered into an agreement with Gregory DiPaolo's Pro Am Golf, LLC to acquire land currently housing a golf course and restaurant. The total purchase price of $1,600,000 is to be paid with a deposit of 50,000 shares of common stock, followed by cash of $1,250,000 and 300,000 shares of the Company's common stock to be delivered at closing. The deposit of 50,000 shares issued as a deposit was $42,500 based on the closing price of the Company's common stock on the date of grant. The Company does not currently have sufficient resources to close on the purchase.

Note 9 – Stockholders' Equity

Preferred Stock
On December 5, 2014, the Company amended the Articles of Incorporation, pursuant to which 20,000,000 shares of "blank check" preferred stock with a par value of $0.001 were authorized. No series of preferred stock has been designated to date.

Common Stock
On December 5, 2014, the Company amended the Articles of Incorporation, and increased the authorized shares to 200,000,000 shares of $0.001 par value common stock.

Common Stock Sales

On March 15, 2017 and March 31, 2017, the Company received an aggregate $235,000 of advances on the subsequent sale on April 20, 2017 of 375,000 units at $1.00 per unit, consisting of 375,000 shares of common stock and warrants to purchase 375,000 shares of common stock at an exercise price of $3.00 per share, exercisable until April 20, 2018, in exchange for total proceeds of $375,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis. The $235,000 was presented as a subscriptions payable at March 31, 2017.

On January 23, 2017, the Company sold 2,000 units at $2.00 per unit, consisting of 2,000 shares of common stock and warrants to purchase 2,000 shares of common stock at an exercise price of $3.00 per share, exercisable until January 23, 2018, in exchange for total proceeds of $4,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

On January 9, 2017, the Company sold 50,000 units at $1.00 per unit, consisting of 50,000 shares of common stock and warrants to purchase 50,000 shares of common stock at an exercise price of $3.00 per share, exercisable until January 9, 2018, in exchange for total proceeds of $50,000. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

Warrants Exercised

On January 7, 2017, a warrant holder exercised warrants to purchase 2,666 shares of common stock at a strike price of $1.50 in exchange for proceeds of $3,999.

Common Stock Issued for Bartered Assets

On January 18, 2017, the Company exchanged 66,000 units, consisting of 66,000 shares of common stock and warrants to purchase 66,000 shares of common stock at an exercise price of $3.00 per share, exercisable until January 18, 2018, in exchange for a 2017 Audi Q7 and a 2017 Audi A4. The total fair value received, based on the market price of the stock at $4.02 per share, was allocated to the $105,132 purchase price of the vehicles and the $160,188 excess value of the common stock and warrants was expensed as stock based compensation.

Common Stock Issued for Services

On March 2, 2017, the Company granted 50,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $142,500 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently issued on April 28, 2017, therefore the issuance was presented as a subscription payable at March 31, 2017.

On March 2, 2017, the Company granted 12,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $34,200 based on the closing price of the Company's common stock on the date of grant.

On January 7, 2017, the Company granted 50,000 shares of common stock to a consultant for services performed. The total fair value of the common stock was $210,250 based on the closing price of the Company's common stock on the date of grant.

Common Stock Cancellations

On January 26, 2017, the Company cancelled a total of 1,000,000 shares of common stock previously granted to two individuals for non-performance of services.

Capital Contributions

The Company imputed interest on non-interest bearing, related party loans, resulting in a total of $151 and $69 of contributed capital during the three months ended March 31, 2017 and 2016, respectively.

Note 10 – Common Stock Warrants

Common Stock Warrants Granted

On January 23, 2017, the Company sold warrants to purchase 2,000 shares of common stock at $3.00 per share over a one (1) year period from the date of sale, in exchange for total proceeds of $4,000 in conjunction with the sale of 2,000 shares of common stock. The relative fair value of the 2,000 common stock warrants using the Black-Scholes option-pricing model was $5,106, or $2.55281 per share, based on a volatility rate of 211%, a risk-free interest rate of 0.79% and an expected term of 1.0 year. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

Note 10 – Common Stock Warrants (Continued)

On January 9, 2017, the Company sold warrants to purchase 50,000 shares of common stock at $3.00 per share over a one (1) year period from the date of sale, in exchange for total proceeds of $50,000 in conjunction with the sale of 50,000 shares of common stock. The relative fair value of the 50,000 common stock warrants using the Black-Scholes option-pricing model was $108,228, or $2.16456 per share, based on a volatility rate of 210%, a risk-free interest rate of 0.82% and an expected term of 1.0 year. The proceeds received were allocated between the common stock and warrants on a relative fair value basis.

Warrants Exercised
On January 7, 2017, a warrant holder exercised warrants to purchase 2,666 shares of common stock at a strike price of $1.50 in exchange for proceeds of $3,999.

Common Stock Warrants Expired or Cancelled
No warrants were expired or cancelled during the three months ended March 31, 2017.

Note 11 – Income Taxes

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the three months ended March 31, 2017 and the year ended December 31, 2016, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At March 31, 2017 and December 31, 2016, the Company had approximately $10,334,000 and $8,056,000 of federal net operating losses, respectively. The net operating loss carry forwards, if not utilized, will begin to expire in 2031.

The components of the Company's deferred tax asset are as follows:

	March 31, 2017	December 31, 2016
Deferred tax assets:		
Net operating loss carry forwards	$ 3,616,900	$ 2,862,500
Net deferred tax assets before valuation allowance	$ 3,616,900	$ 2,862,500
Less: Valuation allowance	(3,616,900)	(2,862,500)
Net deferred tax assets	$ -	$ -

Based on the available objective evidence, including the Company's history of losses, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at March 31, 2017 and December 31, 2016, respectively.

A reconciliation between the amounts of income tax benefit determined by applying the applicable U.S. and State statutory income tax rate to pre-tax loss is as follows:

	March 31, 2017	December 31, 2016
Federal and state statutory rate	35%	35%
Change in valuation allowance on deferred tax assets	(35%)	(35%)

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

Note 12 – Subsequent Events

Common Stock Sales
On April 20, 2017, the Company received the final payment of $140,000, in addition to the previously received $235,000, on the sale of 375,000 units at $1.00 per unit, consisting of 375,000 shares of common stock and warrants to purchase 375,000 shares of common stock at an exercise price of $3.00 per share, exercisable until April 20, 2018. The total proceeds of $375,000 received were allocated between the common stock and warrants on a relative fair value basis.

Common Stock Issued for Acquisition
On May 9, 2017, the Company issued a total of 500,000 shares of common to seven individuals pursuant to the closing of an acquisition of Sangre AT, LLC, a Wyoming limited liability company ("Sangre") in exchange for 100% of the interests in Sangre. The total fair value of the common stock was $569,000 based on the closing price of the Company's common stock on the date of grant.

Common Stock Issued on Subscriptions Payable
On April 28, 2017, the Company issued 50,000 shares of common stock on a subscriptions payable in the amount of $142,500 to a consultant for services performed in the prior period.

Common Stock Issued for Services
On April 20, 2017, the Company granted an aggregate of 216,000 shares of common stock to eleven consultants for services performed. The aggregate fair value of the common stock was $433,663 based on the closing price of the Company's common stock on the date of grant.

On April 20, 2017, the Company granted an aggregate of 216,000 shares of common stock to eleven consultants for services performed. The aggregate fair value of the common stock was $433,663 based on the closing price of the Company's common stock on the date of grant.

Common Stock Cancellations
On May 9, 2017, the Company cancelled a total of 600,000 shares of common stock previously granted to a consultant for non-performance of services.

On April 25, 2017, a total of 4,820,953 shares were cancelled and returned to treasury pursuant to compliance with the September 30, 2014 approval by the majority of shareholders of the terms of a Settlement Agreement dated December 11, 2013 and signed on August 19, 2014 pursuant to Case No. C20125545 in the Superior Court of the State of Arizona, whereby among other provisions, the Plaintiffs, consisting of United Mines, Inc. ("UMI") and its then principals, agreed to the cancellation of a total of 4,820,953 shares of common stock and control of the Company in exchange for (i) sixty five (65) of the unpatented Bureau of Land Management ("BLM") mining claims, the mill site, buildings and equipment, (ii) the four (4) Arizona State Land Department Exploration Permits registered to the Company, (iii) any permits, financial and reclamation guaranties, bonds and licenses connected with the foregoing assets. In addition, thirty-three (33) unpatented BLM mining claims remained the property of UMI, along with any associated permits, financial and reclamation guaranties, bonds, licenses, and the rights to the corporation, the corporation's name, stock symbol, or any other asset of UMI, shall remain the property of UMI under the management of Glenn E. Martin.