

**SUBURBAN MINERALS CORPORATION**

**Annual Report**

**Unaudited Financial Statements**

**For the Year Ending**

**December 31, 2013**

# SUBURBAN MINERALS CORPORATION

## Unaudited Financial Statements for the Year Ending December 31, 2013

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864451109

(CUSIP)

Trading Symbol: SUBB.PK

Certification

The accompanying unaudited interim financial statements of Suburban Minerals Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial statements. They do not include all information and footnotes required by generally accepted accounting principles. In the opinion of management, the accompanying financial statements, and the notes thereto, represent a fair presentation of the financial position of the Company at December 31, 2013 and the results of operations for the 1 and 12 month periods then ended. The notes that accompany these financial statements should be read in conjunction with the financial statements, and accordingly the financial statements were not designed to be used without such notes.

/s/ Tim Sperling  
President, Secretary and Treasurer  
March 11, 2014

ITEM 3 ANNUAL FINANCIAL STATEMENTS

**SUBURBAN MINERALS CORPORATION**  
**(A Development Stage Company)**  
**BALANCE SHEETS**  
**(Unaudited)**

|  | December 31<br>2013 | December 31<br>2012 |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Current Assets:  |                     |                     |
| Cash   | \$ (80)             | \$ (41)             |
| Prepaid expenses   | -                   | 4,200               |
| Total Current Assets   | <u>(80)</u>         | <u>4,159</u>        |
| Mineral Rights and Property  | <u>282,066</u>      | <u>252,066</u>      |
| Total Assets   | <u>\$ 281,986</u>   | <u>\$ 256,225</u>   |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>                             |                     |                     |
| Current Liabilities:   |                     |                     |
| Accounts payable   | \$ 8,289            | \$ 9,977            |
| Accrued interest payable   | 49,505              | 19,071              |
| Due to related parties   | 57,655              | 56,763              |
| Due to third third parties   | 144,950             | 56,950              |
| Notes payable  | 163,819             | 163,819             |
| Convertible debentures payable   | 178,379             | 181,379             |
| Total Current Liabilities  | <u>602,597</u>      | <u>487,960</u>      |
| Shareholders' deficit:   |                     |                     |
| Preferred shares, \$0.0001 par value, 20,000,000 authorized; none issued |                     |                     |
| Common shares, \$0.0001 par value, 500,000,000 authorized;               |                     |                     |
| 330,042,483 and 101,843,669 issued and outstanding, respectively         | 54,184              | 10,184              |
| Additional paid-in capital   | 10,756,820          | 10,756,820          |
| Deficit accumulated during the development stage                         | <u>(11,131,615)</u> | <u>(10,998,739)</u> |
| Total stockholders' deficit  | <u>(320,611)</u>    | <u>(231,735)</u>    |
| Total liabilities and stockholders' deficit                              | <u>\$ 281,986</u>   | <u>\$ 256,225</u>   |

**SUBURBAN MINERALS CORPORATION**  
**(A Development Stage Company)**  
**STATEMENTS OF OPERATIONS**  
**(Unaudited)**

|  | One Month<br>Ended<br>December 31<br>2013 | One Month<br>Ended<br>December 31<br>2012 | Twelve Months<br>Ended<br>December 31<br>2013 | Twelve Months<br>Ended<br>December 31<br>2012 | March 30, 2005<br>(Inception) to<br>December 31<br>2013 |
|--|---|---|---|---|---|
| Sales  | \$ -                                      | \$ -                                      | \$ -  | \$ -  | \$ 4,577,317  |
| Cost of sales                                  | -   | -   | -   | -   | 2,806,527   |
| Gross margin                                   | -   | -   | -   | -   | 1,770,790   |
| Operating expenses:                            |   |   |   |   |   |
| Consulting fees                                | -   | -   | 43,854  | 166,510                                       | 1,192,321   |
| Directors fees                                 | -   | -   | -   | -   | 263,250   |
| General and administrative                     | 1,288                                     | 15  | 20,249  | 29,675  | 6,402,034   |
| Management fees                                | 10,000                                    | -   | 40,000  | 37,002  | 1,400,303   |
| Mining option fees                             | -   | -   | -   | -   | 25,000  |
| Professional fees                              | -   | -   | 5,840   | -   | 903,987   |
| Stock based compensation                       | -   | -   | -   | -   | 918,200   |
| Total operating expenses                       | 11,288                                    | 15  | 109,942                                       | 233,187                                       | 11,105,094  |
| Operating loss                                 | (11,288)                                  | (15)                                      | (109,942)                                     | (233,187)                                     | (9,334,304)   |
| Other income (expense):                        |   |   |   |   |   |
| Interest income (expense)                      | (2,413)                                   | -   | (30,433)                                      | (2,151)                                       | (376,682)   |
| Indebtedness settlement income                 | -   | -   | 7,500   | 40,309  | 47,809  |
| Loss on disposal of assets                     | -   | -   | -   | -   | (1,468,437)   |
| Total other expense                            | (2,413)                                   | -   | (22,933)                                      | 38,158  | (1,797,310)   |
| Net loss                                       | <u>\$ (13,701)</u>                        | <u>\$ (15)</u>                            | <u>\$ (132,876)</u>                           | <u>\$ (195,029)</u>                           | <u>\$ (11,131,615)</u>                                  |
| Net loss per common share:                     |   |   |   |   |   |
| Basic and diluted                              | <u>\$ (0.0000)</u>                        | <u>\$ (0.0000)</u>                        | <u>\$ (0.0004)</u>                            | <u>\$ (0.0019)</u>                            |   |
| Weighted-average common shares<br>outstanding: |   |   |   |   |   |
| Basic and Diluted                              | <u>330,042,483</u>                        | <u>101,843,669</u>                        | <u>330,042,483</u>                            | <u>101,843,669</u>                            |   |



**SUBURBAN MINERALS CORPORATION**  
(A Development Stage Company)  
**Statements of Stockholders' Equity (Deficit)**  
From Inception on March 30, 2005 to December 31, 2013

|   | <u>Common<br/>Shares</u> | <u>Stock<br/>Amount</u> | <u>Additional<br/>Paid-in<br/>Capital</u> | <u>Accumulated<br/>Deficit</u> | <u>Total<br/>Stockholders'<br/>Equity<br/>(Deficit)</u> |
|---|--------------------------|-------------------------|---|--------------------------------|---|
| Shares issued for cash  | 12,365,000               | \$ 1,237                | \$ 155,763                                | \$ -                           | \$ 157,000  |
| Net loss for the year   |                          |                         |   | (77,114)                       | (77,114)  |
| <b>Balance November 30, 2005</b>                                      | 12,365,000               | 1,237                   | 155,763                                   | (77,114)                       | 79,886  |
| Shares cancelled  | (100,000)                | (10)                    | (9,990)                                   |                                | (10,000)  |
| Shares issued for cash  | 7,350,760                | 735                     | 5,066,992                                 |                                | 5,067,727   |
| Warrants issued   |                          |                         | 25,000                                    |                                | 25,000  |
| Shares issued for debt  | 1,176,470                | 118                     | 999,882                                   |                                | 1,000,000   |
| Stock based compensation  |                          |                         | 56,400                                    |                                | 56,400  |
| Net loss for the year   |                          |                         |   | (2,003,901)                    | (2,003,901)   |
| <b>Balance November 30, 2006</b>                                      | 20,792,230               | 2,080                   | 6,294,047                                 | (2,081,015)                    | 4,215,112   |
| Shares issued for cash  | 2,183,599                | 218                     | 1,631,884                                 |                                | 1,632,102   |
| Shares issued for services  | 1,676,887                | 168                     | 861,244                                   |                                | 861,412   |
| Shares issued for options   | 238,861                  | 23                      | 112,657                                   |                                | 112,680   |
| Shares issued for warrants  | 500,000                  | 50                      | 424,952                                   |                                | 425,002   |
| Stock based compensation  |                          |                         | 861,800                                   |                                | 861,800   |
| Warrants issued   |                          |                         | 103,500                                   |                                | 103,500   |
| Net loss for the year   |                          |                         |   | (5,771,962)                    | (5,771,962)   |
| <b>Balance November 30, 2007</b>                                      | 25,391,577               | 2,539                   | 10,290,084                                | (7,852,977)                    | 2,439,646   |
| Shares issued for services  | 3,752,092                | 375                     | 311,206                                   |                                | 311,581   |
| Net loss for the year   |                          |                         |   | (1,372,970)                    | (1,372,970)   |
| <b>Balance November 30, 2008</b>                                      | 29,143,669               | 2,914                   | 10,601,290                                | (9,225,947)                    | 1,378,257   |
| Correction of an error in a prior period                              |                          |                         |   | 142,415                        | 142,415   |
| Net loss for the year   |                          |                         |   | (1,506,090)                    | (1,506,090)   |
| <b>Balance November 30, 2009</b>                                      | 29,143,669               | 2,914                   | 10,601,290                                | (10,589,622)                   | 14,582  |
| Net loss for the year   |                          |                         |   | (87,161)                       | (87,161)  |
| <b>Balance November 30, 2010</b>                                      | 29,143,669               | 2,914                   | 10,601,290                                | (10,676,783)                   | (72,579)  |
| Shares issued for services  | 25,800,000               | 2,580                   | 28,420                                    |                                | 31,000  |
| Shares issued for converted debt                                      | 44,700,000               | 4,470                   | 40,230                                    |                                | 44,700  |
| Shares to be cancelled  |                          |                         |   |                                | (1,600)   |
| Net loss for the year   |                          |                         |   | (126,927)                      | (126,927)   |
| <b>Balance November 30, 2011</b>                                      | 99,643,669               | 9,964                   | 10,669,940                                | (10,803,710)                   | (125,406)   |
| Shares cancelled  | (16,000,000)             | (1,600)                 |   |                                | -   |
| Shares issued for converted debt                                      | 18,200,000               | 1,820                   | 86,880                                    |                                | 88,700  |
| Net loss for the year   |                          |                         |   | (195,029)                      | (195,029)   |
| <b>Balance December 31, 2012 (reflects change in fiscal year end)</b> | 101,843,669              | 10,184                  | 10,756,820                                | (10,998,739)                   | (231,735)   |

|                                      |                           |                      |                          |                            |
|--------------------------------------|---------------------------|----------------------|--------------------------|----------------------------|
| Shares issued for debt               | 110,000,000               | 11,000               |                          | 11,000                     |
| Effect of 1:5000 Reverse Stock Split | (211,801,186)             |                      |                          | -                          |
| Shares issued for asset acquisition  | 300,000,000               | 30,000               |                          | 30,000                     |
| Shares issued for converted debt     | 30,000,000                | 3,000                |                          | 3,000                      |
| Net loss for the period              |                           |                      | <u>(132,876)</u>         | <u>(132,876)</u>           |
| <b>Balance December 31, 2013</b>     | <u><u>330,042,483</u></u> | <u><u>54,184</u></u> | <u><u>10,756,820</u></u> | <u><u>(11,131,615)</u></u> |

**SUBURBAN MINERALS CORPORATION**  
**(A Development Stage Company)**  
**STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

|  | Twelve Months<br>Ended<br>December 31<br>2013 | Twelve Months<br>Ended<br>December 31<br>2012 | March 30, 2005<br>(Inception)<br>to<br>December 31<br>2013 |
|--|---|---|--|
| <b>Cash flows from operating activities:</b>                                       |   |   |  |
| Net loss   | \$ (132,876)                                  | \$ (195,029)                                  | \$ (11,131,615)  |
| <b>Adjustments to reconcile net loss to net cash used in operating activities:</b> |   |   |  |
| Warrants issued for investor relations   | -   | -   | 103,500  |
| Shares issued for services   | -   | -   | 867,667  |
| Stock based compensation   | -   | -   | 918,200  |
| Loss on disposal of assets   | -   | -   | 1,610,852  |
| <b>Change in operating assets and liabilities:</b>                                 |   |   |  |
| Accounts receivable  | -   | -   | (671,288)  |
| Prepaid expenses   | 4,200   | (4,200)                                       | -  |
| Accounts payable and accrued liabilities   | 28,745  | (27,142)                                      | (695,456)  |
| Net cash used in operating activities  | (99,931)                                      | (226,371)                                     | (8,998,140)  |
| <b>Cash flows from investing activities:</b>                                       |   |   |  |
| Acquisition of mineral rights and properties                                       | (30,000)                                      | -   | 222,066  |
| Net cash used in investing activities  | (30,000)                                      | -   | 222,066  |
| <b>Cash flows from financing activities:</b>                                       |   |   |  |
| Net change in due to related parties   | 892   | (52,809)                                      | (6,894)  |
| Proceeds from advances from third parties  | 88,000  | 56,950  | 144,951  |
| Proceeds from issuance of notes payable  | -   | 13,870  | 163,819  |
| Retirement of convertible debentures   | -   | 111,579                                       | 226,079  |
| Shares issued for services   | -   | -   | 8,118,339  |
| Shares issued for assets   | 30,000  | -   | 30,000   |
| Shares issued for debt   | 11,000  | 88,700  | 99,700   |
| Net cash provided by financing activities  | 129,892                                       | 218,290                                       | 8,775,994  |
| Net increase (decrease) in cash  | (39)  | (8,081)                                       | (80)   |
| Cash and cash equivalents, beginning of period                                     | (41)  | 8,040   | -  |
| Cash and cash equivalents, end of period   | \$ (80)                                       | \$ (41)                                       | \$ (80)  |



**SUBURBAN MINERALS CORPORATION**  
(A Development Stage Company)  
**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
December 31, 2013  
(Unaudited)

**Note 1 General Organization and Business**

We were incorporated in the State of Nevada on March 30, 2005 under the name Lexington Media, Inc. On September 30, 2005, we changed our name to Lexington Energy, Inc. and on January 5, 2006, we changed our name to Lexington Energy Services Inc. On March 14, 2013 we changed our name to Suburban Minerals Corporation. We are a development stage company in the oil and gas exploration and field service industry.

In 2009, our management decided to diversify to the mineral exploration and mining sector, and today we are an exploration stage company engaged in the prospecting for and the acquisition and exploration of mineral properties. We continue to prospect for and acquire additional mineral claims and properties as well as to carry out exploration work on mineral claims in order to ascertain whether the claims possess commercially exploitable reserves of minerals.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that we will be able to meet our obligations and continue our operations the next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should we be unable to continue as a going concern. At December 31, 2013, we had not yet achieved profitable operations, have accumulated losses of \$11,131,615 since its inception and expect to incur further losses in the development of our business, all of which cast substantial doubt about our ability to continue as a going concern.

Our ability to continue as a going concern is dependent upon future profitable operations and/or the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Our management has obtained additional funds from advances from shareholders and related parties and from the issuance of notes payable and convertible debentures to third parties, however there is no assurance that this additional funding is adequate and further funding may be necessary.

**Note 2 Significant Accounting Policies**

These financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and are stated in US dollars. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results may differ from these estimates.

The financial statements have, in our management's opinion, been properly prepared within the framework of the significant accounting policies summarized below:

**(a) Development Stage Company**

We are a development stage company as defined in the Statements of Financial Accounting Standards ("SFAS") No. 7. We are devoting substantially all of our present efforts to establish a new business and none of our planned principal operations have commenced. All losses accumulated since our inception have been considered part of our development stage activities.



(b) Consolidation

Not applicable

(c) Financial Instruments

The carrying values of cash, accounts receivable, accounts payable, promissory notes payable and due to related parties approximate fair value because of the short-term nature of these instruments. Our management is of the opinion that we are not exposed to significant interest, currency or credit risks arising from these financial instruments.

(d) Income Taxes

We have losses for tax purposes totaling \$11,131,615. We follow SFAS No. 109, "Accounting for Income Taxes" which requires the use of the asset and liability method of accounting for income taxes. Under the asset and liability method of SFAS 109, deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and loss carry forwards and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled.

(e) Basic and Diluted Loss per Share

We compute net loss per share in accordance with SFAS No. 128 "Earnings Per Share". SFAS 128 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing our net loss available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted EPS gives effect to all dilative potential common shares outstanding during the year including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the year is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilative potential common shares if their effect is anti dilative.

(f) Stock-based Compensation

In December 2004, the Financial Accounting Standards Board issued FAS 123R "Share-Based Payment", a revision to FAS 123. FAS 123R replaces existing requirements under FAS 123 and APB 25, and requires public companies to recognize the cost of employee services received in exchange for equity instruments, based on the grant-date fair value of those instruments, with limited exceptions. FAS 123R also affects the pattern in which compensation cost is recognized, the accounting for employee share purchase plans, and the accounting for income tax effects of share-based payment transactions. For small business filers, FAS 123R is effective for interim or annual periods beginning after December 15, 2005. We adopted FAS 123R on October 1, 2006.

(g) Foreign Currency Translation

We translate foreign currency transactions and balances to our reporting currency, United States dollars, in accordance with SFAS No. 52, "Foreign Currency Translation". Monetary assets and liabilities are translated into the functional currency at the exchange rate in effect at the end of the year. Non-monetary assets and liabilities are translated at the exchange rate prevailing when the assets were acquired or the liabilities assumed. Revenues and expenses are translated at the rate approximating the rate of exchange on the transaction date. All exchange gains and losses are included in the determination of net income (loss) for the year.

(h) Recently Issued Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our consolidated financial statements.

**Note 3 Related Party Transactions**

During the twelve months ended December 31, 2013 we accrued \$40,000 of management fee expense and paid \$8,500 of management fees in cash. We also issued 110,000,000 shares of our common stock in exchange for retiring \$11,000 of accrued management fees and wrote off an additional \$7,500, the net result of which is included in our total balance due to related parties. In addition, during the twelve months ended December 31, 2013 we paid \$7,000 to retire amounts owed to a former officer and \$6,000 to retire amounts owed to a former Convertible Debenture holder. The balance of our indebtedness to related parties is as follows:

|                        | <u>December 31, 2013</u> | <u>December 31, 2012</u> |
|------------------------|--------------------------|--------------------------|
| Due to Related Parties | \$57,655                 | \$56,763                 |

**Note 4 Due To Third Parties**

During the twelve months ended December 31, 2013 we increased our indebtedness to third party lenders by \$88,000. The balance of our indebtedness to third parties is as follows:

|                             | <u>December 31, 2013</u> | <u>December 31, 2012</u> |
|-----------------------------|--------------------------|--------------------------|
| Advances from Third Parties | \$144,950                | \$56,950                 |

**Note 5 Notes Payable**

We incurred interest expense on Notes Payable of \$16,202 during the twelve month period ended December 31, 2013. The balance of our Notes Payable is as follows:

|               | <u>December 31, 2013</u> | <u>December 31, 2012</u> |
|---------------|--------------------------|--------------------------|
| Notes Payable | \$163,819                | \$163,819                |

**Note 6 Convertible Debentures**

We incurred interest expense on Convertible Debentures Payable of \$11,896 during the twelve month period ended December 31, 2013. During the period we also converted \$3,000 of Convertible Debentures into 30,000,000 shares of our common stock at the request of the Convertible Debenture holders. The balance of our Convertible Debentures Payable is as follows:

|                                | <u>December 31, 2013</u> | <u>December 31, 2012</u> |
|--------------------------------|--------------------------|--------------------------|
| Convertible Debentures Payable | \$178,379                | \$181,379                |

**Note 7 Common Stock**

On March 14, 2013 we affected a 1 for 5,000 reverse stock split reducing our total common shares outstanding to 42,483 (at that time) after taking into consideration the elimination of fractional interest shareholder positions.



#### **Note 8 Acquisition of Mineral Rights and Properties**

In May 2013 we issued 300,000,000 shares of our Common Stock to acquire certain mining claims located on 80 acres in California known as the Conquistador Placer #1 Placer Mining Claim.

#### **Note 9 Subsequent Events**

On January we executed a Definitive Agreement (a Letter of Intent was executed on December 8, 2013) to acquire a producing diamond mine in the Central African Republic. According to the Definitive Agreement, the diamond mine concession (pertaining to certain mineral exploration, production and commercialization rights) was acquired for \$300,000,000, in addition to a royalty and a percentage of expenditures. The consideration for the purchase price was comprised of the following:

- Issuance of 300,000,000 shares of our restricted Common Stock.
- Issuance of 10,000,000 shares of our Series "A" convertible Preferred Stock (conversion ratio of 50:1 into our common stock) said preferred stock to be deliverable upon the Seller signing a written agreement with a qualified diamond mine operator and securing a minimum of \$300,000,000 in financing for diamond mining purposes.
- Payment of a 10-year royalty equal to 10% (up to \$500,000 per annum) of the total yearly expenditures for the work program to explore and further develop production.
- Payment, annually of a royalty equal to 2.5% of the net revenue from the sale of diamonds.
- Assignment of our existing convertible notes (\$179,879 at November 30, 2013) to new entities and the subsequent conversion of our convertible notes into 179,879,000 of our common stock over a defined period of time.

On December 17, 2013 we accepted the resignation of our Chief Executive Officer and Director and simultaneously appointed Tim Sperling as our President, Secretary and Treasurer.

In March 2014 we changed our fiscal year end from November 30 to December 31. As such our financial statements reflect activity for the 1 month periods ending December 31, 2013 and 2012 and the 12 month periods ending December 31, 2013 and 2012.