

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

WESTERN SIERRA RESOURCE CORPORATION

1001 Grand Ave., Suite 207
Glenwood Springs, Colorado 81602

405.209.5485

Website: www.westernsierraresource.com

Email: admin@westernsierraresource.com

SIC Code: 6794

QUARTERLY REPORT

For the Period Ending: **MARCH 31, 2023**
(the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

337,136,648 as of March 31, 2023

337,136,648 as of December 31, 2022

347,839,208 as of December 31, 2021

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Western Sierra Resource Corporation as of September 24, 2018

Western Sierra Mining Corp. as of December 4, 2003

The Gold Chain Mining Company originally incorporated on August 19, 1907

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

State of Incorporation: Utah

The Company is active and in good standing

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

There are no trading suspension orders issued by the SEC since inception

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

There were no stock splits, stock dividends, recapitalizations, mergers, spin-offs, or reorganizations within the past 12 months and none are currently anticipated. An MOU for an acquisition was executed as follows: on August 8, 2022, the Company executed a Binding Memorandum of Understanding with Mitigation Solutions, LLC to acquire, for a combination of cash and stock, 100% of its stock and assets. Formal acquisition documents were executed effective September 6, 2022. This transaction will not result in dilution for the shareholders. As of the date of this report, the principals of Mitigation Solutions, LLC, with over 200 years of combined experience completing similar scoped contracts and projects, executed a Binding Agreement on September 19, 2022 with a California Water Conservation District to provide water (lake and reservoir) storage and associated drainage mitigation services for several District communities under Federal Agency Funding guidelines. On October 19, 2022, the Board of Directors for the Santa Maria Valley Water Conservation District formally approved a \$1.5 Billion to \$2 Billion Contract with Mitigation Solutions, LLC. Several additional and similar projects are also in queue. These contracts will be announced as they are made public in final form and substance. A portion of the net income from these projects will be available to fund the Company's stated and previously announced resource projects.

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

See the Statement of Stockholders' Equity in the accompanying financial statements for detailed information regarding the Company's equity transactions.

The address(es) of the issuer's principal executive office:

**1001 Grand Ave., Suite 207
Glenwood Springs, CO 81602**

The address(es) of the issuer's principal place of business:

X Check if principal executive office and principal place of business are the same address:

**1001 Grand Ave., Suite 207
Glenwood Springs, CO 81602**

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: **Pacific Stock Transfer, Inc.**
Phone: **800-785-7782**
Email: **info@pacificstocktransfer.com**
Address: **6725 Via Austi Pkwy, Suite 300
Las Vegas, Nevada 89119**

The Transfer Agent is registered under the Exchange Act.

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading Symbol: **WSRC**
Exact title and class of securities outstanding: **Common Stock**
CUSIP: **95952L200**
Par or stated value: **\$0.001**

Total shares authorized:	500,000,000 as of 3-31-23
Total shares outstanding:	337,136,648 as of 3-31-23
Total number of shareholders of record:	1033 as of 3-31-23

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Preferred Stock – Series A
CUSIP (if applicable):	N/A
Par or stated value:	\$0.001
Total shares authorized:	100,000,000 as of 3-31-23
Total shares outstanding (if applicable):	100,000,000 as of 3-31-23
Total number of shareholders of record	3 as of 3-31-23

Exact title and class of the security:	Preferred Stock – Series B
CUSIP (if applicable):	N/A
Par or stated value:	\$0.001
Total shares authorized:	10,000,000 as of 3-31-23
Total shares outstanding (if applicable):	10,000,000 as of 3-31-23
Total number of shareholders of record	3 as of 3-31-23

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

No dividend rights, no preemption rights, one vote per share

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Preferred Stock – Series A: No dividend rights, no preemption rights, no liquidation rights, no redemption or sinking fund provisions. Each one (1) share of the Series A Preferred Stock shall have 100 votes per share

Preferred Stock – Series B: No dividend rights, no preemption rights, no liquidation rights, no redemption or sinking fund provisions. Each one (1) share of the Series B Preferred Stock shall have 1,000 votes per share

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
<u>Opening Balance</u>									
Date 12-31-20	Common:	349,089,208							
	Preferred-A:	20,000,000							
	Preferred-B:	0							
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
10/14/2021	Cancellation	4,750,000	Common	N/A	N/A	N/A	N/A	N/A	N/A
10/14/2021	New Issuance	3,500,000	Common	\$.004	No	Blaine Riley	Services	Restricted	4(a)(2) and/or Rule 506
3/17/2022	Cancellation	35,702,560	Common	N/A	N/A	N/A	N/A	N/A	N/A
9/6/2022	New Issuance	25,000,000	Common	\$.07	Yes	Scott Hastings	Asset Acquisition	Restricted	4(a)(2) and/or Rule 506
1/3/2022	New Issuance	20,000,000	Preferred Series A	\$.001	N/A	Roger Johnson	Asset Acquisition	N/A	N/A

9/6/2022	New Issuance	33,333,333	Preferred Series A	\$.300	N/A	Scott Hastings	Asset Acquisition	N/A	N/A
9/6/2022	New Issuance	26,666,666	Preferred Series A	\$.001	N/A	Dennis Atkins	Asset Acquisition	N/A	N/A
9/6/2022	New Issuance	3,333,333	Preferred Series B	\$.001	N/A	Roger Johnson	Asset Acquisition	N/A	N/A
9/6/2022	New Issuance	3,333,333	Preferred Series B	\$3.000	N/A	Scott Hastings	Asset Acquisition	N/A	N/A
9/6/2022	New Issuance	3,333,333	Preferred Series B	\$.001	N/A	Dennis Atkins	Asset Acquisition	N/A	N/A
Shares Outstanding on Date of This Report:									
		<u>Ending</u> <u>Balance</u>							
<u>Ending Balance:</u>									
Date 3-31-23	Common:	337,136,648							
	Preferred-A:	99,999,999							
	Preferred-B:	9,999,999							

Use the space below to provide any additional details, including footnotes to the table above:

See Item 6 - Officers, Directors and Control Persons for voting/investment control

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)

Use the space below to provide any additional details, including footnotes to the table above:

None

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Historically, Western Sierra Resource Corporation has focused on the strategic acquisition, sale, joint venture, management, and extraction of precious metals on its mineral properties and reserves in the western United States and primarily in Central Arizona. On May 21, 2014, the Company completed the acquisition of various water rights in Northern Colorado with a combined appraised value of \$40,500,000 and intends to utilize these assets for real estate development, agricultural production and other beneficial uses as the Company expands and enhances its asset base. The Company is aggressively pursuing development and expansion of its water rights while simultaneously pursuing diversification into other natural resource related projects; among these, contamination mitigation and restoration services for water storage facilities and water delivery system infrastructure.

Acquisition of Mitigation Solutions, LLC

On August 8, 2022, the Company executed a Binding Memorandum of Understanding with Mitigation Solutions, LLC to acquire, for a combination of cash and stock, 100% of its stock and assets. This transaction was formalized effective September 6, 2022. This transaction will not result in dilution for the shareholders. On September 19, 2022, the principals of Mitigation Solutions, LLC, with over 200 years of combined experience completing similar scoped contracts and projects, executed a Binding Agreement with the Santa Maria Valley Water Conservation District to provide mitigation and restoration services under Federal Agency Funding guidelines for the Twitchell Dam and Reservoir site and associated drainages, which serve several District communities. Several additional and similar projects are also in queue. A portion of the net income from these projects will be made available to help fund the Company's stated and previously announced resource projects as follows:

Energy Production/Conservation Technologies Project

On August 26, 2020, the Company entered into an agreement to acquire 100% ownership of Mystere Power Group, LLC (MPG) in exchange for \$3,000,000. On January 10, 2021, WSRC updated its acquisition agreement with MPG, LLC to include additional technologies and associated patents under the category description "Energy Tree" (ET Technologies). The negotiated price for inclusion of these additional technologies was \$3,000,000, resulting in a total acquisition price for the company of \$6,000,000. On November 8, 2021, the agreement was modified to cap WSRC's total investment at \$1.5 million in exchange for 25% of MPG. MPG, LLC has licensed, owns, has filed patents for, and/or controls "green" energy conservation and advanced water generation technologies. The two proprietary technologies vested into WSRC are its HVAC/refrigeration global retrofit kit program and advanced Air-Water-Generation (AWG-1, and AWG-2) systems. The HVAC/refrigeration global retrofit kit is an integration of components that collectively reduce the power consumed by the chill cycle and air circulation elements of an HVAC system by approximately 40%. The savings also apply to commercial-industrial refrigeration and freezer plants, where the savings will be in the region of 30%. The Air-Water-Generation (AWG-1 and AWG-2) systems are proprietary water generation technologies with worldwide commercial and industrial applications. These technologies have been developed and maintained under confidential Trade Secret I.P. Agreements. Patents on various components of these technologies were filed in October 2020. The patent rights have been assigned to MPG. As of the date of this report, the Company has effectively completed its due diligence. Based in part on that due-diligence as well as progress made on other available technologies, on December 10, 2020 the Company revised the MPG Acquisition Agreement to eliminate the issuance of Series A and B shares to MPG, while at the same time incrementally expanding the scope of its MPG Acquisition Agreement to include additional technologies under the heading of the MPG "Energy Tree." The Energy Tree represents a combination of technologies with three primary applications, each representing a "branch" of The Energy Tree structure. These 3 primary branches provide a comprehensive approach to multiple consumer market categories for "green" conservation technologies: 1. Facility based electrical power generation for both on-grid and off-grid residential community and commercial complex applications; 2. A mobile application for truck and marine fleet retro-fit which converts diesel vehicles to an electrical power train; and 3. Dramatic reduction in electrical consumption through a revolutionary MPG motor/generator/compressor system in new and retrofit HVAC and Refrigeration systems.

Northern Colorado Water Rights/Industrial Hemp/Construction Project

Also, and as announced by the Company on September 24, 2020, a Letter of Intent was executed with Global Hemp Group, Inc. which was renewed and expanded on November 15, 2020. This Letter of Intent contemplated a collaboration between the Companies utilizing WSRC'S \$40.5 million in water assets as collateral for capital formation to implement the large-scale cultivation and processing of hemp; manufacture of hemp products; and construction of affordable homes utilizing hemp products and other "green" technologies—among them, the MPG Energy Tree technologies—to create and implement a showcase venue for myriad environmentally sustainable products and services. On February 5, 2021, a Definitive Agreement between the Company and Global Hemp Group was executed to advance the projects between the Companies. On June 15, 2021 the Company's purchase of a 44.84 acre annexed and commercially/industrially zoned site was closed at a purchase price of \$1,400,000 for purposes of constructing facilities for the processing of industrial hemp and manufacture of hemp-based construction products. A design plan for this property was prepared, engineered, and submitted to the Town of Hayden Planning Department for further discussion and comment, pending approval by the Town of Hayden Planning Department. A second land acquisition encompassing 166-acres of vacant, annexed land was placed under "hard" contract, for purposes of developing the first phase of approximately 285 affordable single-family homes. A preliminary design plan has been prepared and engineered for this property. A third land parcel consisting of 664 contiguous acres was placed under "hard" contract for purposes of cultivating irrigated industrial hemp for processing and manufacture of various hemp-based products, including construction materials with which to build affordable homes in future phases. Additional property acquisitions are currently under review and consideration by the Board of Western Sierra Resource Corporation.

Nevada Mining Project

On June 28, 2021, the Company executed an agreement with Silver State Mining Group, Inc. ("SSMG") to acquire 70% of SSMG's common stock in exchange for \$10 million which will be used to immediately initiate development of the Sage Hen Mining Claims in Western Nevada. In addition to gold and silver, the enhanced recovery system assays have indicated platinum, palladium and rhodium. WSRC and SSMG plan on building a 100 ton/day plant and then immediately increasing that to 1,100 tons/day. Projected annual net income from the 100 ton/day and 1,100 ton/day operation is \$269 million and \$3.2 billion respectively. The Sage Hen Claims encompass 640 acres within the Oreana Trend, a consistent ancient seabed that extends to depths of 1000 feet in an active mining area known to contain significant precious metals and offer a unique low risk development opportunity. Many mining groups, including Newmont, Rye Patch, Pershing, Victoria, and others have cored, mined, and expended significant resources and effort in the area. Principals of the Sage Hen Mining claims, Andy Kay and Lonnie Treadwell, have maintained active mining claims for over 20 years based upon hundreds of assays over 20,000 acres of the trend. The Sage Hen claims are located near the Relief Canyon Mine in the Oreana Trend. In addition to gold and silver, the enhanced recovery system assays have indicated platinum, palladium, and rhodium. SSMG and WSRC will immediately commence the 90-day permitting process to obtain a five-acre disturbance permit on the 640-acre development site on which to build a \$10 million, 100 ton/day Pilot Processing Plant. This facility is scheduled to be fully operational within 12 months. However, specific testing and limited development of the mining claims will commence immediately. Once the 100 ton/day Pilot Plant is established on site, SSMG and WSRC intend to file for permit approval to expand the Pilot Plant for increased capacity to process up to 1100 tons per day. Permitting for this expansion is estimated to require an additional six months. Due to the extensive prior geological work having been completed in the area, and including the subject claims, SSMG and WSRC have determined it to be redundant to expend the time and capital to secure an NI 43-101 professional report to summarize the data already shown to be consistent through over 20 engineering and assay reports completed by well-respected firms. It has been determined that rather than invest the time and capital in additional third-party reports, it would be more productive to use that investment directly in proving up the claim's reserves through production. At a future date, and concurrent with the realization of actual production results, an NI 43-101 professional report will likely be commissioned to further refine exploration methodologies and aid in establishing specific areas of focus within the boundaries of the reserve. (Assay reports are posted on the SSMG web site). Based on a subsequent "Assay Review and Enhanced Recovery Report" dated July 21, 2021, projected annual net income from the 100 ton/day and 1,100 ton/day operation have been increased from \$269 million to \$415 million and from \$3.2 billion to \$4.57 billion, respectively. Based on a subsequent agreement dated July 22, 2021, the total acreage will be increased from 640 acres to 1,300 acres. Of this \$10 million total required to construct the 100 ton/day plant and commence production and recovery operations, \$1 million is required within 60 days, \$2 million within 90 days and the balance

of \$7 million within 150 days. WSRC management's level of confidence in this project is such that the \$10 million cost of the 100 ton/day plant will be invested directly by WSRC's officers and directors to prevent dilution of shareholder equity in the Company. On March 4, 2022, the agreement was extended by consent of both parties.

Red Dragon Energy Helium/Natural Gas Project

On July 7, 2021, the Company entered into substantive negotiations with Red Dragon Energy ("RDE"). RDE is owned by the two majority owners of eSeis and David McCarver, its president. RDE was formed to take advantage of the proprietary methods applied to 3D seismic data by eSeis to identify resource bearing reservoirs and then leverage these results into an equity position in the prospect enhanced by the work eSeis has done. These proprietary methods have been proven to add a valuable layer of evaluation to 3D seismic interpretations that is unique to the exploration for natural resources. RDE has negotiated the rights to several large 3D seismic data sets and is in ongoing negotiations for several more data sets. From these 3D data sets potential leads will be identified using independent third-party geophysicists and geologists. As individual leads are generated eSeis will apply its evaluation methods to the areas of interest. If the presence of reservoir quality rock formations, potentially filled with something other than water are identified, these leads become individual discrete prospects. At such time a prospect is identified, basic economics are run to determine the financial viability of the prospect. If the economics warrant, the prospect is then leased and prepared for a well to be drilled. Funding for RDE's proportionate share of the drilling and completion costs is done using internal funding or the needed capital is raised through industry partners or other funding sources. Each 3D seismic data set will be governed by its own set of terms and conditions. In some instances, RDE will be carried from prospect development through the leases being acquired. Other agreements will require RDE to fund its share of the leasing costs. On some of the 3D seismic data sets RDE will generate its own prospects and be responsible for geophysical and geological costs along with all the costs associated with any prospect acquisition costs. It is expected that a minimum of one prospect per month will be generated by RDE and its partners. Oil and gas prospect are smaller and will represent most of these prospects. However, the helium prospects, currently there are four areas of interest, will be much larger in scope and scale from a project perspective.

B. List any subsidiaries, parent company, or affiliated companies.

The Company has recently (September 6, 2022) acquired Mitigation Solutions, LLC which is now a wholly owned subsidiary of WSRC. There are no other subsidiaries, no parent company, nor any affiliated companies.

C. Describe the issuers' principal products or services.

The Company's principal products are water, agricultural commodities including hay and alfalfa, industrial hemp to supply the growing demand for hemp-based construction products, textiles, plastics, paper, clothing, animal feed, nutritional supplements and thousands of other "green" consumer products, gold and precious metals reserves and proprietary energy conservation technologies.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties, or facilities, clearly describe them as above and the terms of their leases.

The Company maintains an administrative office at 1001 Grand Ave., Suite 207, Glenwood Springs, CO, 81602 on a “month to month” rental basis. The Company’s operations and water assets are located near Hayden, Colorado.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer’s securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Roger Johnson	CEO/Director	Steamboat Springs, Colorado	33,333,333	Preferred-Series A	33.3%	N/A
Dennis Akins	CFO/Director	Edmond, Oklahoma	33,333,333	Preferred-Series A	33.3%	N/A
Scott Hastings	COO/Director	Guthrie, Oklahoma	33,333,333	Preferred-Series A	33.3%	N/A
Roger Johnson	CEO/Director	Steamboat Springs, Colorado	3,333,333	Preferred-Series B	33.3%	N/A
Dennis Akins	CFO/Director	Edmond, Oklahoma	3,333,333	Preferred-Series B	33.3%	N/A
Scott Hastings	COO/Director	Guthrie, Oklahoma	3,333,333	Preferred-Series B	33.3%	N/A
Scott Hastings	COO/Director	Guthrie, Oklahoma	25,000,000	Common	7.42%	N/A
Dennis Akins	CFO/Director	Edmond, Oklahoma	49,103,000	Common	14.57%	N/A

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: John E. Dolkart, Jr., Esq.
Dolkart Law PC
Address: 100 Pine St, Suite 1250
San Francisco, California 94111
Phone: 415.707.2717
Email: john@dolkartlaw.com

PCAOB Auditors:

Name: Ben Borgers, CPA, CVA, CGMA
Firm: BF Borgers CPA PC
Address: 5400 W Cedar Ave
Lakewood, CO 80226
Phone: 303.953.1454
Email: Ben@bfbcpa.us

Investor Relations

Name: None
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

Twitter: @WSRCorp
Discord: None
LinkedIn: @WSRCorp
Facebook: @WSRCorp
[Other] None

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: None
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Financial Statements

A. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: Dennis Atkins, CPA
Title: Certified Public Accountant
Relationship to Issuer: Chief Financial Officer
Describe the qualifications of the person or persons who prepared the financial statements: Certified Public Accountant

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

SEE FINANCIAL STATEMENTS ATTACHED

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Roger Johnson, certify that:

1. I have reviewed this Disclosure Statement for Western Sierra Resource Corporation;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 20, 2023

/s/ Roger Johnson
Roger Johnson, CEO

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

Principal Financial Officer:

I, Dennis Atkins, certify that:

1. I have reviewed this Disclosure Statement for Western Sierra Resource Corporation;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 20, 2023

/s/ Dennis Atkins

Dennis Atkins, CPA, CFO

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

ITEM 9 - FINANCIAL STATEMENTS AND NOTES

WESTERN SIERRA RESOURCE CORPORATION Consolidated Balance Sheets

	March 31, <u>2023</u>	December 31, <u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 63	\$ 108
Accounts receivable	2,605,967	-
Prepaid expenses	-	-
Total Current Assets	<u>2,606,030</u>	<u>108</u>
WATER RIGHTS	51,601,679	49,990,551
LAND	1,786,507	1,730,257
CONSOLIDATED GOODWILL	24,025,472	23,901,133
MINING PROPERTY AND ORE RESOURCES	-	-
OTHER ASSETS	<u>663,460</u>	<u>663,299</u>
Total Assets	<u>\$ 80,683,148</u>	<u>\$ 76,285,348</u>
STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 1,957,883	\$ 3,407
Accrued compensation - related parties	530,300	440,300
Advances from related parties	2,892,027	1,490,584
Current maturities of notes payable	<u>10,649,932</u>	<u>10,340,998</u>
Total Current Liabilities	16,030,142	12,275,289
LONG-TERM NOTES PAYABLE	<u>-</u>	<u>-</u>
Total Liabilities	16,030,142	12,275,289
STOCKHOLDERS' EQUITY		
Common stock - par value \$.001		
500,000,000 shares authorized; 337,136,648 and 337,136,648 shares issued and outstanding respectively	337,137	337,137
Preferred stock - par value \$.001		
110,000,000 shares authorized; 109,999,998 and 109,999,998 shares issued and outstanding respectively	110,000	110,000
Stock to be cancelled	(62,729)	(62,729)
Stock to be issued	1,692,895	1,692,895
Paid-in capital	91,071,820	91,071,820
Retained earnings (deficit)	<u>(28,496,117)</u>	<u>(29,139,064)</u>
Total Stockholders' Equity	64,653,006	64,010,059
Total Liabilities and Stockholders' Equity	<u>\$ 80,683,148</u>	<u>\$ 76,285,348</u>

The accompanying notes are an integral part of these financial statements.

WESTERN SIERRA RESOURCE CORPORATION
Consolidated Statement of Operations

	Three Months Ended March 31, <u>2023</u>	Year Ended December 31, <u>2022</u>
REVENUES		
Water access fees	\$ -	\$ 381,041
Management fees	2,605,967	-
TOTAL REVENUES	\$ 2,605,967	\$ 381,041
COST OF REVENUES	1,954,476	-
GROSS PROFIT	651,491	381,041
OPERATING COSTS AND EXPENSES		
Professional fees	-	70,000
Office expenses	44	624
Reporting company expenses	8,500	60,569
Total Expenses	8,544	131,193
Operating Income (Loss)	642,947	249,848
OTHER INCOME (EXPENSES)		
Interest income (expense)	-	-
Other income	-	-
Income before income taxes	642,947	249,848
Provision for income taxes	-	-
NET INCOME (LOSS)	\$ 642,947	\$ 249,848
Earnings Per Share (see Note 2):		
Basic weighted average number of common shares outstanding	337,136,648	337,136,648
Basic income (loss) per share	\$ -	\$ -
Diluted weighted average number of common shares outstanding	337,136,648	337,136,648
Diluted income (loss) per share	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

WESTERN SIERRA RESOURCE CORPORATION
Consolidated Statement of Stockholders' Equity

	<u>Common Stock</u>		<u>Preferred Stock</u>		<u>Stock To Be Cancelled</u>	<u>Stock To Be Issued</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>					
Balance, December 31, 2018	339,957,567	\$ 339,957	20,000,000	\$ 20,000	\$ -	\$ -	\$ 67,859,686	\$ (30,155,296)	\$ 38,064,347
Stock issued for acquisition of asset (January 22, 2019)	2,500,000	2,500					7,500		10,000
Stock issued for acquisition of asset (June 7, 2019)	5,000,000	5,000					5,000		10,000
Issuance of stock for conversion of debt (August 2, 2019)	1,281,641	1,282					34,718		36,000
Net loss for period								(12,145)	(12,145)
Balance, December 31, 2019	348,739,208	\$ 348,739	20,000,000	\$ 20,000	\$ -	\$ -	\$ 67,906,904	\$ (30,167,441)	\$ 38,108,202
Issuance of stock for consulting fees (February 11, 2020)	350,000	350					34,650		35,000
103,182,825 common shares to be returned by two officers and cancelled (October 1, 2020)					(103,182)		103,182		-
103,182,825 common shares to be issued to two officers for accrued compensation (October 1, 2020)						1,135,011			1,135,011
28,444,000 common shares to be issued to two officers for prepaid compensation (October 1, 2020)						312,884			312,884
\$1,104,151 in accrued compensation forgiven by an officer (October 1, 2020)							1,097,251		1,097,251
Net loss for period								(72,779)	(72,779)
Balance, December 31, 2020	349,089,208	\$ 349,089	20,000,000	\$ 20,000	\$ (103,182)	\$ 1,447,895	\$ 69,141,987	\$ (30,240,220)	\$ 40,615,569
Cancellation of common shares by officer (October 14, 2021)	(4,750,000)	(4,750)			4,750				-
Issuance of stock for consulting fees (October 14, 2021)	3,500,000	3,500				245,000	241,500		490,000
Net loss for period								851,308	851,308
Balance, December 31, 2021	347,839,208	\$ 347,839	20,000,000	\$ 20,000	\$ (98,432)	\$ 1,692,895	\$ 69,383,487	\$ (29,388,912)	\$ 41,956,877
Issuance of preferred stock for services (January 4, 2022)			20,000,000	20,000					20,000
Cancellation of common shares by officers (March 17, 2022)	(35,702,560)	(35,702)			35,703				1
Issuance of common and preferred stock for acquisition of subsidiary (September 9, 2022)	25,000,000	25,000	69,999,998	70,000			21,688,333		21,783,333
Net income for period								249,848	249,848
Balance, December 31, 2022	337,136,648	\$ 337,137	109,999,998	\$ 110,000	\$ (62,729)	\$ 1,692,895	\$ 91,071,820	\$ (29,139,064)	\$ 64,010,059
Net income for period								642,947	642,947
Balance, March 31, 2023	337,136,648	\$ 337,137	109,999,998	\$ 110,000	\$ (62,729)	\$ 1,692,895	\$ 91,071,820	\$ (28,496,117)	\$ 64,653,006

The accompanying notes are an integral part of these financial statements.

WESTERN SIERRA RESOURCE CORPORATION
Consolidated Statement of Cash Flows

	Three Months Ended March 31, <u>2023</u>	Year Ended December 31, <u>2022</u>
Operating activities:		
Net income (loss)	\$ 642,947	\$ 249,848
Adjustments to reconcile net income/loss to net cash used in operating activities:		
Non-cash fees/compensation	-	-
Impairment	-	-
Amortization	-	-
(Increase) decrease in assets:		
Accounts receivable	(2,605,967)	-
Other assets	-	-
Increase (decrease) in liabilities:		
Accounts payable	1,954,476	(4,163)
Accrued expenses	90,000	142,800
Total adjustments	(561,491)	138,637
Net cash from/(used in) operating activities	81,456	388,485
Investing activities:		
Initial capital funding	-	-
Accrued compensation	-	200,300
Acquisition of land	(56,250)	(250,031)
Forfeiture of land deposits	-	450,000
Acquisition of subsidiary	(124,339)	(2,000,000)
Acquisition of other assets	(161)	(6,725)
Capitalized water rights development costs	(1,611,128)	(2,152,725)
Net cash used in investing activities	(1,791,878)	(3,759,181)
Financing activities:		
Issuance of stock for cash	-	-
Advances from related parties	1,401,443	-
Capitalized interest	308,934	492,390
Payments on borrowings	-	(29,591)
Initial project capitalization	-	(635,541)
Proceeds from borrowings	-	3,542,213
Net cash provided by financing activities	1,710,377	3,369,471
Net increase(decrease) in cash and cash equivalents	(45)	(1,225)
Cash and cash equivalents at beginning of period	108	1,333
Cash and cash equivalents at end of period	\$ 63	\$ 108
<u>Supplemental cash flow information:</u>		
Cash paid during the period for interest	\$ -	\$ 29,591
Cash paid during the period for income taxes	\$ -	\$ -
<u>Noncash investing and financing activities:</u>		
Issuance of stock for acquisition of assets	\$ -	\$ 21,783,333
Issuance of stock for payment of debt	\$ -	\$ -
Accrued compensation forgiven by officer	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

WESTERN SIERRA RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 1 - Organization and Basis of Presentation

Western Sierra Resource Corporation ("Western Sierra", "the Company", "we" or "us")(formerly Western Sierra Mining Corp) was originally formed on August 19, 1907 as The Gold Chain Mining Company in the State of Utah to engage in gold and other precious mineral mining. The Company filed Articles of Restatement of its Articles of Incorporation on April 26, 1996 in the State of Utah. On September 24, 2018, the Company changed its name to Western Sierra Resource Corporation.

In the opinion of management, the accompanying balance sheets and related statements of income, cash flows, and stockholders' equity, consisting only of normal recurring items, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Preparing financial statements requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses. Actual results and outcomes may differ from management's estimates and assumptions.

NOTE 2 - Summary of Significant Accounting Policies

The preparation of financial statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that impact the reported amounts of assets, liabilities, and expenses, and disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could materially differ from those estimates. Management considers many factors in selecting appropriate financial accounting policies and controls, and in developing the estimates and assumptions that are used in the preparation of these financial statements. Management must apply significant judgment in this process. In addition, other factors may affect estimates, including: expected business and operational changes, sensitivity and volatility associated with the assumptions used in developing estimates, and whether historical trends are expected to be representative of future trends. The estimation process may yield a range of potentially reasonable estimates of the ultimate future outcomes and management must select an amount that falls within that range of reasonable estimates. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may ultimately materially differ from those estimated amounts and assumptions used in the preparation of the financial statements.

Basis of presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

WESTERN SIERRA RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. As of March 31, 2023, the Company had cash and cash equivalents of \$63. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash deposits. The Company maintains its cash in institutions insured by the Federal Deposit Insurance Corporation (“FDIC”).

Property and Equipment

Provision is made for depreciation of office furniture fixtures and equipment, machinery and equipment, and building. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets which are 5 to 10 years.

Capitalized Development Costs

In accordance with ASC 360, *Property, Plant, and Equipment*, the Company has capitalized certain costs associated with the development of its water rights. Since May 21, 2014, the date of the acquisition of the water rights, all of the Company’s efforts have been focused on developing and expanding the current rights and placing them into their intended beneficial use as defined by Colorado Water Law. Likewise, in accordance with ASC 835-20, *Interest, Capitalization of Interest*, the Company has capitalized interest associated with the development of the water rights so as to obtain a measure of cost that more closely reflects the Company’s total investment in the water asset and to charge a cost that relates to the acquisition of these water rights that will benefit future periods against the revenues of the future periods they will benefit. Since the date of acquisition through March 31, 2023, a total of \$11,101,679 of costs have been capitalized in conjunction with the development of the water rights resulting in a current balance of \$51,601,679 as of March 31, 2023.

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Asset impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset. Any impairment losses are measured and recorded based on discounted estimated future cash flows and are charged to income on the Company’s consolidated statements of operations. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups. The Company’s estimates of future cash flows are based on numerous assumptions, including expected commodity prices, production levels, capital requirements and estimated salvage values. It is possible that actual future cash flows will be significantly different than the estimates, as actual future quantities of recoverable material, future commodity prices, production levels and costs and capital are each subject to significant risks and uncertainties. As of March 31, 2023, the Company’s mineral resources do not meet the definition of proven or probable reserves or value beyond proven or probable reserves and any potential revenue has been excluded from the cash flow assumptions. Accordingly, recoverability of the long-lived assets’ capitalized cost is based primarily on estimated salvage values or alternative future uses. The Company recognized no impairment losses at March 31, 2023 or December 31, 2022.

WESTERN SIERRA RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Revenue Recognition

As of January 1, 2018, we adopted ASU NO. 2014-09, “Revenue from Contracts with Customers” Topic 606. The Company recognizes revenues upon delivery of goods to the customer at which time the Company’s performance obligation is satisfied at an amount that the Company expects to be entitled to in exchange for those goods in accordance with the five step analysis outlined in Topic 606: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations, and (v) recognize revenue when (or as) performance obligations are satisfied. The invoices for the emergency work performed at Twitchell Reservoir for the three months ending March 31, 2023 totaled \$22,463,334. Since the unforeseen emergency phase at Twitchell Reservoir was neither anticipated nor included in the sediment removal contract between MSL and the SMVWCD, only the Company’s portion of the net profit from these emergency phase invoices is being reflected in these financial statements.

Customer Concentration and Disaggregation of Revenue: As of March 31, 2023, 100% of revenue came from one customer. For the year ended December 31, 2022, 100% of revenues were generated from water access fees to the industrial hemp/housing industry.

Stock-based Compensation

Stock-based compensation is accounted for based on the requirements of ASC 718 – “*Compensation – Stock Compensation*“, which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award. The Company utilizes the Black-Sholes option pricing model and uses the simplified method to determine expected term because of lack of sufficient exercise history. Additionally, effective October 1, 2016, the Company adopted the Accounting Standards Update No. 2016-09 (“ASU 2016-09”), *Improvements to Employee Share-Based Payment Accounting*. Among other changes, ASU 2016-09 permits the election of an accounting policy for forfeitures of share-based payment awards, either to recognize forfeitures as they occur or estimate forfeitures over the vesting period of the award. The Company has elected to recognize forfeitures as they occur, and the cumulative impact of this change did not have any effect on the Company’s consolidated financial statements and related disclosures.

Fair Value Measurements

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. A fair value hierarchy is used to prioritize the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or inputs that are corroborated by market data

WESTERN SIERRA RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

- Level 3: Unobservable inputs that are not corroborated by market data

Earnings Per Share

Basic earnings per common share is calculated by dividing the net income attributable to common stockholders, after deducting preferred dividends, by the weighted average number of common shares outstanding during the period, without consideration of the potentially dilutive effects of converting stock options or restricted stock purchase rights outstanding. Diluted earnings per common share is calculated by dividing the net income attributable to common stockholders by the weighted average number of common shares outstanding during the period and the potential dilutive effects of stock options or restricted stock purchase rights outstanding during the period determined using the treasury stock method. In periods in which the Company reports a net income attributable to common stockholders, diluted net income per share attributable to common stockholders is the same as basic net income per share attributable to common stockholders since dilutive common shares are not assumed to have been issued, as their effect is anti-dilutive.

	For the Three Months Ended <u>March 31, 2023</u>	For the Year Ended <u>December 31, 2021</u>
Income (Loss)	\$ 642,947	\$ 851,308
Basic Average Number of Shares Outstanding	337,136,648	347,839,208
Basic Earnings (Loss) Per Share	\$ 0.00	\$ (0.00)
Diluted Average Number of Shares Outstanding	337,136,648	347,839,208
Diluted Earnings (Loss) Per Share	\$ 0.00	\$ (0.00)

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires, among other things, that deferred income taxes be provided for temporary differences between the tax bases of the Company's assets and liabilities and their financial statement reported amounts. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

WESTERN SIERRA RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

A valuation allowance is recorded by the Company when it is more likely than not that some portion or all of a deferred tax asset will not be realized. In making such a determination, management considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, and ongoing prudent and feasible tax planning strategies in assessing the amount of the valuation allowance. When the Company establishes or reduces the valuation allowance against its deferred tax assets, its provision for income taxes will increase or decrease, respectively, in the period such determination is made.

Additionally, 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 sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefit recognized in the financial statements for a particular tax position is based on the largest benefit that is more likely than not to be realized upon settlement. Accordingly, the Company establishes reserves for uncertain tax positions. The Company has not recognized interest or penalties in its statement of operations and comprehensive loss since inception.

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allowance for bad debt on accounts receivable, reserves on inventory, valuation of goodwill and intangible assets for impairment analysis, valuation of the legal settlement reserve, valuation of stock-based compensation, the valuation of derivative liabilities, and the valuation allowance on deferred tax assets.

Environmental Remediation Costs

Environmental remediation costs are accrued based on estimates of known environmental remediation exposure. Such accruals are recorded even if significant uncertainties exist over the ultimate cost of the remediation. It is reasonably possible that the Company's estimates of reclamation liabilities, if any, could change as a result of changes in regulations, extent of environmental remediation required, means of reclamation or cost estimates. Ongoing environmental compliance costs, including maintenance and monitoring costs, are expensed as incurred. There were no environmental remediation costs accrued at March 31, 2023 or December 31, 2022.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company may use this extended transition

WESTERN SIERRA RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

period for complying with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments (“ASU 2016- 13”). The main objective of ASU 2016-13 is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in ASU 2016-13 replace the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 is effective for “smaller reporting companies” (as defined by the Securities and Exchange Commission) for fiscal years beginning after December 15, 2022, including interim periods within those years, and must be adopted under a modified retrospective method approach. Entities may adopt ASU 2016-13 earlier as of the fiscal years beginning after December 15, 2018, including interim periods within those years. The Company is currently evaluating the provisions of this guidance and assessing its impact on the Company’s financial statements and disclosures and does not believe this standard will have a material impact on the Company’s financial statements and disclosures.

In November 2019, the FASB issued ASU 2019-11, “Codification Improvements to Topic 326, Financial Instruments—Credit Losses” (“ASU 2019-11”). In May 2019, the FASB issued ASU 2019-05, “Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief.” In April 2019, the FASB issued ASU 2019-04, “Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments.” In November 2018, the FASB issued ASU 2018-19, “Codification Improvements to Topic 326, Financial Instruments—Credit Losses.” These updates provide an option to irrevocably elect to measure certain individual financial assets at fair value instead of amortized cost and provide additional clarification and implementation guidance on certain aspects of the previously issued ASU 2016-13 and have the same effective date and transition requirements as ASU 2016-13. The effect of a prospective transition approach is to maintain the same amortized cost basis before and after the date of adoption. ASU 2016-13 is effective for the Company for annual periods beginning after December 15, 2022, including interim periods within those fiscal years. The Company is currently evaluating the effects the adoption of ASU 2019-11 will have on its consolidated financial statements and disclosures.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes (“ASU 2019-12”). The amendments in ASU 2019-12 simplify various aspects related to accounting for income taxes by removing certain exceptions contained in Topic 740 and also clarifies and amends existing guidance in Topic 740 to improve consistent application. ASU 2019-12 is effective for public business entities beginning after December 15, 2020, including interim periods within those years, and early adoption is permitted. The Company adopted the ASU on April, 1, 2020. Adoption of the standards is not expected to have a material impact on the Company’s Consolidated Balance Sheet, Statements of Operation, and Statements of Cash Flows.

WESTERN SIERRA RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying consolidated financial statements.

NOTE 3 - Stockholders' Equity

At various stages in the Company's development we have issued shares of common stock, valued at fair market value, for services or assets with a corresponding charge to operations or property and equipment. In accordance with ASC 805-50, these transactions, except for stock issued to employees, have been recorded on the Company's books at the fair value of the consideration received or the fair value of the common stock issued, whichever is more reliably measured.

Preferred Stock

The Company is authorized to issue 110,000,000 shares of preferred stock, \$.001 par value, with such rights, preferences, variations and such other designations for each class or series within a class as determined by the Board of Directors. The preferred stock is not convertible into common stock, does not contain any cumulative voting privileges, and does not have any preemptive rights. 100,000,000 shares of preferred stock have been designated as Series A Preferred Stock and 10,000,000 shares of preferred stock have been designated as Series B Preferred Stock. The following describes the Series A and Series B Preferred Stock designations: Each one (1) share of the Series A Preferred Stock shall have 100 votes per shares. Each one (1) share of the Series B Preferred Stock shall have 1,000 votes per shares. The Series A and Series B Preferred Stock has no dividend rights, no liquidation rights and no redemption rights, and was created primarily to be able to obtain a quorum and conduct business at shareholder meetings.

All shares of the Series A Preferred Stock shall rank (i) *pari passu* with any class or series of capital stock of the Company hereafter created and specifically ranking, by its terms, on par with the Series A Preferred Stock and (ii) junior to any class or series of capital stock of the Company hereafter created specifically ranking, by its terms, senior to the Series A Preferred Stock, in each case as to distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary. Each one (1) share of the Series A Preferred Stock shall have 100 votes per share.

All shares of the Series B Preferred Stock shall rank (i) senior to the Company's common stock and any other class or series of capital stock of the Company hereafter created. Each one (1) share of the Series B Preferred Stock shall have 1,000 votes per share.

On May 21, 2014, the Company completed the acquisition of various water rights in Northern Colorado with a combined appraised value of \$40,500,000 in exchange for 11,888,560 shares of the Company's Series A Preferred Stock.

On October 23, 2018, the Company issued 8,006,440 Series A Preferred Shares to its CEO as compensation for pledging his shares as collateral to secure certain debts of the Company.

On January 4, 2022, the Company issued 20,000,000 Series A Preferred Shares to its CEO as compensation for pledging his shares as collateral to secure certain debts of the Company.

WESTERN SIERRA RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

On September 9, 2022, the Company issued 59,999,999 Series A Preferred Shares and 9,999,999 Series B Preferred Shares in conjunction with the acquisition of 100% of Mitigation Solutions, LLC.

Common Stock

The Company is authorized to issue 500,000,000 common shares with a par value of \$0.001 per share.

On January 22, 2019, the Company issued 2,500,000 shares to an unrelated party for services valued at \$10,000 resulting in a share value of \$.004.

On June 7, 2019, the Company issued 5,000,000 shares to an unrelated party in partial payment of a debt owed by the Company's CEO of \$10,000 resulting in a share value of \$.002.

On August 2, 2019, the Company converted \$36,000 of debt for 1,281,641 shares resulting in a share value of \$.028.

On February 11, 2020 the Company issued 350,000 shares to an unrelated party for consulting services valued at \$35,000 resulting in a share value of \$.07.

On October 1, 2020 two officers agreed to contribute/return a total of 103,182,825 shares to the Company for cancellation. These shares are reflected in the equity section on the Company's balance sheet as Stock To Be Cancelled. Also on October 1, 2020 the Company agreed to issue a total of 131,626,825 shares to two officers in exchange for prior accumulated accrued compensation totaling \$1,135,011 and prepaid compensation totaling \$312,884. These shares are reflected in the equity section on the Company's balance sheet as Stock To Be Issued.

On October 14, 2021, an officer contributed/returned a total of 4,750,000 shares to the Company for cancellation.

On October 14, 2021, the Company issued 3,500,000 shares and agreed to issue an additional 3,500,000 shares to an unrelated party for services to be rendered over two three month periods. Based on a share price of \$.07 at the time of issuance, the transaction was recorded at \$490,000.

On March 17, 2022, the two officers/directors contributed/returned a total of 35,702,560 shares to the Company for cancellation.

On September 9, 2022, the Company issued 25,000,000 common shares in conjunction with the acquisition of 100% of Mitigation Solutions, LLC.

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NOTE 4 – Water Rights

On May 21, 2014, the Company completed the acquisition of various water rights in Northern Colorado with a combined appraised value of \$40,500,000 in exchange for 11,888,560 shares of the Company's Series A Preferred Stock. SFAS 123, (now superseded by ASC 805-50-30-2 which provides general principles for measuring the cost of an asset acquisition that involves noncash consideration and ASC 845, *Nonmonetary Transactions*) required that this transaction be recorded on the Company's books at the fair value of the consideration received or the fair value of the common stock issued, whichever is more reliably measured at the date of the transaction. Since the Company's Series A Preferred Stock is not traded and therefore has no market and since the water rights are well documented and had accompanying recent appraisals and valuation reports by certified third party appraisers and engineers, the Company determined that the acquisition should be valued and recorded on the books based on the appraised value of \$40,500,000. Since the date of acquisition through March 31, 2023, a total of \$11,101,679 of costs have been capitalized in conjunction with the development of the water rights resulting in a current balance of \$51,601,679 as of March 31, 2023.

NOTE 5 – Northern Colorado Water Rights/Industrial Hemp/Construction Project

As announced by the Company on September 24, 2020, a Letter of Intent was executed with Global Hemp Group, Inc. which was renewed and expanded on November 15, 2020. This Letter of Intent contemplated a collaboration between the Companies utilizing WSRC'S \$40.5 million in water assets as collateral for capital formation to implement the large-scale cultivation and processing of hemp; manufacture of hemp products; and construction of affordable homes utilizing hemp products and other "green" technologies—among them, the MPG Energy Tree technologies—to create and implement a showcase venue for myriad environmentally sustainable products and services. On February 5, 2021, a Definitive Agreement between the Company and Global Hemp Group was executed to advance the projects between the Companies. On June 15, 2021 the Company's purchase of a 44.84 acre annexed and commercially/industrially zoned site was closed at a purchase price of \$1,400,000 for purposes of constructing facilities for the processing of industrial hemp and manufacture of hemp-based construction products. Preliminary planning and engineering work for the initial phase of this project were largely completed, however, recent revisions to that original land use plan will be subject to further discussion and review by the Town of Hayden Planning Department before final development approval may be obtained. A second land acquisition encompassing 166-acres of vacant, annexed land was placed under "hard" contract for purposes of developing the first phase of approximately 275 affordable single-family homes. The Company's vision has been to gradually incorporate hemp-based construction materials into traditional construction methodologies once the project is underway and alternative products can be thoroughly tested, approved, reliably produced, and proven to be competitive in quality and cost with traditional construction materials. Preliminary design engineering for this affordable home component of the project continues with the Company's development partners. A third land parcel consisting of 664 contiguous acres was placed under "hard" contract for purposes of cultivating irrigated industrial hemp for processing and manufacture of hemp-based construction products with which to build affordable homes. Additional property acquisitions are currently under review and consideration by Western Sierra Resource Corporation.

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NOTE 6 – Acquisition of MPG, LLC

On August 26, 2020, the Company entered into an agreement to acquire 100% ownership of Mystere Power Group, LLC (MPG) in exchange for \$3,000,000. On January 10, 2021, WSRC updated its acquisition agreement with MPG, LLC to include additional technologies and associated patents under the category description "Energy Tree" (ET Technologies). The negotiated price for inclusion of these additional technologies was \$3,000,000, resulting in a total acquisition price for the company of \$6,000,000. On November 8, 2021, the agreement was modified to cap WSRC's total investment at \$1.5 million in exchange for 25% of MPG. MPG, LLC has licensed, owns, has filed patents for, and/or controls "green" energy conservation and advanced water generation technologies. The two proprietary technologies vested into WSRC are its HVAC/refrigeration global retrofit kit program and advanced Air-Water-Generation (AWG-1, and AWG-2) systems. The HVAC/refrigeration global retrofit kit is an integration of components that collectively reduce the power consumed by the chill cycle and air circulation elements of an HVAC system by approximately 40%. The savings also apply to commercial-industrial refrigeration and freezer plants, where the savings will be in the region of 30%. The Air-Water-Generation (AWG-1 and AWG-2) systems are proprietary water generation technologies with worldwide commercial and industrial applications. These technologies have been developed and maintained under confidential Trade Secret I.P. Agreements. Patents on various components of these technologies were filed in October 2020. The patent rights have been assigned to MPG. As of the date of this report, the Company has effectively completed its due diligence. Based in part on that due-diligence as well as progress made on other available technologies, on December 10, 2020 the Company revised the MPG Acquisition Agreement to eliminate the issuance of Series A and B shares to MPG, while at the same time incrementally expanding the scope of its MPG Acquisition Agreement to include additional technologies under the heading of the MPG "Energy Tree." The Energy Tree represents a combination of technologies with three primary applications, each representing a "branch" of The Energy Tree structure. These 3 primary branches provide a comprehensive approach to multiple consumer market categories for "green" conservation technologies: 1. Facility based electrical power generation for both on-grid and off-grid residential community and commercial complex applications; 2. A mobile application for truck and marine fleet retro-fit which converts diesel vehicles to an electrical power train; and 3. Dramatic reduction in electrical consumption through a revolutionary MPG motor/generator/compressor system in new and retrofit HVAC and Refrigeration systems. As of March 31, 2023, a total of \$87,262 has been invested in this project.

NOTE 7 - Investment in Mining Project

On June 28, 2021, the Company executed an agreement with Silver State Mining Group, Inc. ("SSMG") to acquire 70% of SSMG's common stock in exchange for \$10 million which will be used to immediately initiate development of the Sage Hen Mining Claims in Western Nevada. In addition to gold and silver, the enhanced recovery system assays have indicated platinum, palladium and rhodium. WSRC and SSMG plan on building a 100 ton/day plant and then immediately increasing that to 1,100 tons/day. Projected annual net income from the 100 ton/day and 1,100 ton/day operation is \$269 million and \$3.2 billion respectively.

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The Sage Hen Claims encompass 640 acres within the Oreana Trend, a consistent ancient seabed that extends to depths of 1000 feet in an active mining area known to contain significant precious metals and offer a unique low risk development opportunity. Many mining groups, including Newmont, Rye Patch, Pershing, Victoria, and others have cored, mined, and expended significant resources and effort in the area. Principals of the Sage Hen Mining claims, Andy Kay and Lonnie Treadwell, have maintained active mining claims for over 20 years based upon hundreds of assays over 20,000 acres of the trend. The Sage Hen claims are located near the Relief Canyon Mine in the Oreana Trend. In addition to gold and silver, the enhanced recovery system assays have indicated platinum, palladium, and rhodium.

Due to the extensive prior geological work having been completed in the area, and including the subject claims, SSMG and WSRC have determined it to be redundant to expend the time and capital to secure an NI 43-101 professional report to summarize the data already shown to be consistent through over 20 engineering and assay reports completed by well-respected firms. It has been determined that rather than invest the time and capital in additional third-party reports, it would be more productive to use that investment directly in proving up the claim's reserves through production. At a future date, and concurrent with the realization of actual production results, an NI 43-101 professional report will likely be commissioned to further refine exploration methodologies and aid in establishing specific areas of focus within the boundaries of the reserve. (Assay reports are posted on the SSMG web site).

Based on a subsequent "Assay Review and Enhanced Recovery Report" dated July 21, 2021, projected annual net income from the 100 ton/day and 1,100 ton/day operation have been increased from \$269 million to \$415 million and from \$3.2 billion to \$4.57 billion, respectively.

Based on a subsequent agreement dated July 22, 2021, the total acreage will be increased from 640 acres to 1,300 acres.

Of this \$10 million total required to construct the 100 ton/day plant and commence production and recovery operations, \$1 million is required within 60 days, \$2 million within 90 days and the balance of \$7 million within 150 days. WSRC management's level of confidence in this project is such that the \$10 million cost of the 100 ton/day plant will be invested directly by WSRC's officers and directors to prevent dilution of shareholder equity in the Company. On April 18, 2023, SSMG executed a contract to lease facilities near Wickenburg, Arizona as a staging area that will allow it to begin purchasing and assembling equipment in preparation for commencement of its Arizona Processing Project. This new Arizona Processing Project will draw and process material from several locations in Arizona for recovery of precious metals. The addition of this project will allow SSMG to initiate production quickly and enable SSMG to generate revenue concurrent with and in support of the development of the Sage Hen Mine in Nevada. As of March 31, 2023, a total of \$576,037 has been invested in this project.

As of March 31, 2023, the Company has not yet materially funded the mining project and since the mining project has not yet commenced operations so it is not yet material to the Company's operations so disclosures required by Regulation S-K 1300 are not yet required.

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NOTE 8 - Investment in Helium Project

On July 7, 2021, the Company entered into substantive negotiations with a third-party exploration company to fund the development of multiple Helium-rich properties including the 25,000-acre FCHPA Helium Project in the Four Corners Area. As of March 31, 2023, a formal agreement is ready for execution pending the completion of the Company's Form 10 filing.

NOTE 9 - Acquisition of Mitigation Solutions, LLC

On August 8, 2022, the Company executed a Binding Memorandum of Understanding with Mitigation Solutions, LLC to acquire, for a combination of cash and stock, 100% of its stock and assets. This transaction was formalized effective September 6, 2022. This transaction will not result in dilution for the shareholders. On September 19, 2022, the principals of Mitigation Solutions, LLC, with over 200 years of combined experience completing similar scoped contracts and projects, executed a Binding Agreement with the Santa Maria Valley Water Conservation District to provide mitigation and restoration services under Federal Agency Funding guidelines for the Twitchell Dam and Reservoir site and associated drainages, which serve several District communities. Several additional and similar projects are also in queue. A portion of the net income from these projects will be made available to help fund the Company's stated and previously announced resource projects. The invoices for the emergency work performed at Twitchell Reservoir for the three months ending March 31, 2023 totaled \$22,463,334. Since the unforeseen emergency phase at Twitchell Reservoir was neither anticipated nor included in the sediment removal contract between MSL and the SMVWCD, only the Company's portion of the net profit from these emergency phase invoices is being reflected in these financial statements.

NOTE 10 - Related Parties

On October 1, 2020 two officers agreed to contribute/return a total of 103,182,825 shares to the Company for cancellation. These shares are reflected in the equity section on the Company's balance sheet as Stock To Be Cancelled. On March 17, 2022, the two officers/directors contributed/returned a total of 35,702,560 shares to the Company for cancellation. Also on October 1, 2020 the Company agreed to issue a total of 131,626,825 shares to two officers in exchange for prior accumulated accrued compensation totaling \$1,135,011 and prepaid compensation totaling \$312,884. These shares are reflected in the equity section on the Company's balance sheet as Stock To Be Issued. As of March 31, 2023 and December 31, 2022, the Company owed a related party \$1,490,584 and \$1,490,584 respectively for advances made to or on behalf of the Company.

NOTE 11 - Notes Payable

	March 31, <u>2023</u>	December 31, <u>2022</u>
Note payable, secured by water rights, bearing interest at 21%	1,449,923	1,395,836

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Note payable, secured by water rights, bearing interest at 21%	1,166,861	1,136,285
Note payable, secured by water rights, bearing interest at 12%	1,044,502	1,027,340
Note payable, unsecured, bearing interest at 10%	121,356	118,731
Note payable, secured by water rights, bearing interest at 15%	71,543	69,900
Note Payable, secured by land, bearing interest at 15%	1,594,700	1,538,450
Note payable on acquisition of subsidiary, unsecured, non-interest bearing	2,000,000	2,000,000
Accrued liability, unsecured, bearing interest at 2.5%	<u>3,201,138</u>	<u>3,054,456</u>
	10,649,932	10,340,998
Less: Current portion	<u>(10,649,932)</u>	<u>(10,340,998)</u>
Long-Term Debt	<u>\$ -</u>	<u>\$ -</u>

NOTE 12 - Commitments and Contingencies

Operating Lease

During the periods ended March 31, 2023 and December 31, 2022 the Company had no operating leases.

Litigation

In the normal course of business, the Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance.

Except as disclosed below, the Company is unaware of any action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our Company, our common stock, any of our subsidiaries or of our Company's or our Company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

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NOTE 13 - Income Taxes

As of December 31, 2022 and December 31, 2021, the Company had net operating loss carry forwards of approximately \$29,139,064 and \$29,388,912 that may be available to reduce future years' taxable income in varying amounts through 2042. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements, as their realization is determined not likely to occur and accordingly, the Company has recorded a valuation allowance for the deferred tax asset relating to these tax loss carryforwards.

The provision for Federal income tax consists of the following:

	December 31, <u>2022</u>	December 31, <u>2021</u>
Federal income tax benefit attributable to:		
Current Operations	\$ 7,459,600	\$ 7,523,561
Less: valuation allowance	<u>(7,459,600)</u>	<u>(7,523,561)</u>
Net provision for Federal income taxes	\$ -	\$ -

The cumulative tax effect at the expected rate of 25.6% of significant items comprising our net deferred tax amount is as follows:

	December 31, <u>2022</u>	December 31, <u>2020</u>
Deferred tax asset attributable to:		
Net operating loss carryover	\$ 7,459,600	\$ 7,523,561
Less: valuation allowance	<u>(7,459,600)</u>	<u>(7,523,561)</u>
Net deferred tax asset	\$ -	\$ -

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards of approximately \$29,139,064 for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

NOTE 14 – Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company has evaluated events that occurred subsequent to September March 31, 2023 and through the date the financial statements were issued.

In December 2021, GHG was unable to fulfill some of its financial obligations under the February 5, 2021 “Definitive Agreement” as executed by and between GHG, WSRC and

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Prescient Strategies Group (PSG). These financial obligations included approximately \$85,770.97 in creditor and vendor payments. On February 1, 2022, another payment of \$2,842,269 was due from GHG to restructure existing debt, and facilitate development at the HAIZ project, again per the February 5, 2021, “Definitive Agreement” between the Parties. Due to unavoidable delays in completing GHG’s fiscal year-end September 30, 2021 audit, a previously approved (January 24, 2022) non-brokered Private Placement was stalled until February 8, 2022 which thus impacted previously negotiated agreements for February 1, 2022 payments to secured and unsecured creditors and vendors.

On February 8, 2022 GHG made the following public announcement:

GLOBAL HEMP GROUP ANNOUNCES NON-BROKERED PRIVATE PLACEMENT AND ENGAGEMENT OF CONSULTANTS TO ASSIST IN THE LAUNCH OF A SECURITIZED TOKEN INITIATIVE TO FUND ITS GREEN COMMUNITY

“Vancouver, BC -- (February 8, 2022) -- **GLOBAL HEMP GROUP INC.** (“GHG” or the “Company”) ([CSE: GHG](#) / [OTCQB: GBHPF](#) / [FRANKFURT: GHG](#)) announces that the Company intends to complete a non-brokered private placement, as detailed below, and has engaged consultants to assist in the launch of a Securitized Token to fund the development of its Green Community/Hemp Agro-Industrial Zone project in Hayden, Colorado...”

In GHG’s December 31, 2021 Management Discussion and Analysis (MD&A) ‘Subsequent Events’ section, and in its First Fiscal Quarter ending December 31, 2021 Financial Statements, ‘Subsequent Events’ section (both filed February 28, 2022), GHG stated that: “A payment of \$416,667.00 was due on December 15, 2021. Management is working with the Vendor to complete this payment, which will be made from the proceeds of the funding initiatives announced on February 8, 2021.” WSRC has since renegotiated and restructured the payment terms of this Note and Deed of Trust with the previous owner and note holder “Vendor” of this commercial property without disrupting the Company’s ownership, use, or associated development opportunity per its original intent.

Also, in GHG’s December 31, 2021 Management Discussion and Analysis (MD&A) ‘Subsequent Events’ section, and in its First Fiscal Quarter ending December 31, 2021 Financial Statements, ‘Subsequent Events’ section (both filed February 28, 2022) GHG stated that: “The Company has experienced some delays in its payment obligations under the Definitive Agreement executed with Western Sierra Resources and Prescient Solutions Group. The Company is working diligently with its Partners to restructure the agreement which will clarify the relationship of the parties and restructure certain payment terms. Details of this new agreement have not been completely finalized but discussions are proceeding and will be announced as soon as the agreement is executed. Global Hemp Group’s private placement financing will bring the Company’s obligations current while the proposed tokenized funding initiative will be the main catalyst to ensure long term financing of the HAIZ project while maintaining shareholder dilution going forward at a minimum.”

WSRC has, in response to these delays, renegotiated past due creditor obligations by providing capital to help address past due payments and reduce principal balances on its indebtedness. WSRC also, on March 3, 2022, provided a revised “Definitive JV Agreement” to GHG which, when executed, would re-align the Companies under a restructured payment schedule to better

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accommodate GHG's capital formation plan going forward. The agreement has not been executed as of this filing date. WSRC has, since December 2021, and continuing up through the present date, implemented its own capital formation strategies to fund the above referenced projects and fully retire its debt obligations using WSRC stock and assets to obtain both equity and debt financing. Having executed a funding agreement with a third- party capital source, as well as now having acquired a company with strong earnings potential, the Company's ongoing relationship with GHG may be revised to reflect the current circumstances and modified objectives for each of the companies. However, in the absence of such a revised agreement with GHG, the Company has pursued alternate plans to develop the Hayden project itself, as well as with capable development partners.

On May 16, 2022, WSRC executed a funding commitment with Beton, Inc. Beton, Inc. is the operational arm of a Private Foundation. This \$25 million commitment to fund the Company's operations monetizes WSRC's land, water, and mineral assets having an appraised and audited value of \$60+ million.

Under this Contract Commitment an initial round of \$10 million in Debt (Bond) Financing would be allocated for payment of existing debt; and to supply operating capital sufficient to fund the Company's various near-term project requirements—without dilution for its shareholders. This initial round would entitle the funding entity to participation in future net revenue generated by acceleration and expansion of the Company's current natural resource-related endeavors. A "Paid-Up" five-year Master Lease of the Company's assets was structured to provide an additional \$15 Million for acquisition of additional land assets and development of the Hayden project. As of the date of this Annual Report, the Beton agreement with WSRC is subject to to: A) WSRC's having refiled a Form 10 registration following completion of an SEC review, initiated March 14, 2022; and B) and the written consent of third-party JV Development Partners with whom the Company has entered into negotiation for an equity interest in the workforce housing component of the Hayden Project. The Company is anticipating a near term completion of the review followed by the refiling of its Form 10 Registration.

Under the Beton Agreement, as each project phase matures, net revenue resulting from operations would be apportioned to each Party, and likewise, upon sale of individual project components (i.e., new home sales) net sales proceeds would be apportioned between the Parties. Due to delays in the Company's refiling the Form 10 Registration Statement, the Beton Funding Agreement may now be modified to better compliment the Company's financial strategies subsequent to its acquisition of Mitigation Solutions, LLC –which acquisition was disclosed and discussed with Beton beginning August 1, 2022 and prior to the Company's execution of an Agreement with MSL on August 8, 2022.

With conditional, but substantive executed agreements in place, and multi-year, State and Federally funded mitigation service operations underway since January 2023, as of this filing, the Company expects a successful result from these implemented strategies to meet all of its near-term capital requirements.

Subsequent to the May 16, 2022. Beton Inc. Agreement, the Company as of August 8, 2022, executed a Binding Memorandum of Understanding with Mitigation Solutions, LLC (MSL) to acquire, for a combination of cash and stock, 100% of MSL's stock and assets. This transaction

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results in nominal dilution for the shareholders. Formal Acquisition documents were executed by the Company and Mitigation Solutions, LLC, (MSL) effective September 6, 2022.

As of the date of this report, the principals of Mitigation Solutions, LLC, with over 200 years of combined experience completing similar scoped contracts and projects, have negotiated a formal contract with a California Water Conservation District to provide dam, reservoir, and associated drainage mitigation services for several District communities under Federal Agency Funding guidelines. Several additional and similar projects are also in queue. The Mitigation Solutions projects compliment the Company's natural resource related objectives and strategies. A Binding Agreement with a value of \$1.976 Billion was executed by and between Mitigation Solutions, LLC (MSL) and the Santa Maria Water Conservation District (SMVWCD) in California on September 19, 2022. This Binding Agreement pertains to the Twitchell Dam and Reservoir Mitigation Project. Subsequently, a formal Contract with a value of \$1.5 Billion to \$2.0 Billion allowing for a contraction or expansion of the term required to complete mitigation and restitution tasks (estimated at between 7 to 10 years) was executed by and between MSL and SMVWCD on October 19, 2022. Subsequent to execution of the Formal October 19, 2022 MSL/SMVWCD Contract, a series of four severe weather events impacting the Twitchell Reservoir location in California precipitated issuance of Emergency Declarations by both the Federal Government and the State of California. These Declarations necessitated a revision of the Company's mobilization priorities from "preemptive mitigation" to an "emergency response" to best protect threatened Dam and Reservoir infrastructure beginning the week of January 8, 2023. These continuous (24 hours per day) efforts have been sustained and expanded each day since January 8, 2023, and continue through the date of this report as this multi-year project unfolds. Pertinent Agreements, including an updated "Mitigation Contract" executed January 19, 2023 with the SMVWCD, and various "Task Orders" under a "Master Services Agreement" executed on February 9, 2023 and February 10, 2023 respectively, together with various "Change Orders" to reflect necessary "scope of work" adaptations to address real-time site conditions have likewise been executed. A portion of the net income to WSRC from the Twitchell Dam and Reservoir Mitigation Project will be made available to help fund the Company's other stated and previously announced natural resource projects. As part of the Company's expansion plan, WSRC's wholly owned management company will compartmentalize each of the mitigation projects currently in queue for reinvestment of net revenue to the best advantage of the Company and its shareholders.