

Silver Buckle Mines, Inc.
Wallace Idaho

BALANCE SHEET - UNAUDITED
December 31, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ <u>3,793</u>	\$ <u>8,293</u>
PROPERTY		
Mining property	<u>337,169</u>	<u>344,369</u>
Total	\$ <u><u>340,962</u></u>	\$ <u><u>352,662</u></u>

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
Accounts payable	\$ 3,875	\$ 3,860
Advances from shareholders	<u>103,348</u>	<u>103,348</u>
	<u>107,223</u>	<u>107,208</u>
CAPITAL STOCK		
Authorized 12,000,000 shares	1,200,000	1,200,000
Less unissued 2,000 shares	<u>200</u>	<u>200</u>
Outstanding	1,199,800	1,199,800
Discount on stock	(325,032)	(325,032)
Treasury shares	(5,984)	(5,984)
Retained earnings	(635,045)	(623,330)
Accumulated deficit	<u>233,739</u>	<u>245,454</u>
Total	\$ <u><u>340,962</u></u>	\$ <u><u>352,662</u></u>

Prepared by Management.
See Accompanying Notes.

Silver Buckle Mines, Inc.
Wallace Idaho

STATEMENT OF INCOME- UNAUDITED
For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
Royalties	\$ 9,000	\$ 8,400
	<u>9,000</u>	<u>8,400</u>
EXPENSES		
Administrative and general	7,165	7,070
Amortization of mining property	7,200	7,200
Office supplies and expense	95	420
OTC market application and filing fees	5,940	5,760
Filing, recording and expenses with mining property	<u>315</u>	<u>316</u>
	<u>20,715</u>	<u>20,766</u>
Net operating income (loss)	<u>(11,715)</u>	<u>(12,366)</u>
OTHER INCOME AND EXPEPESE		
	<u>0</u>	<u>0</u>
NET INCOME (LOSS)	\$ <u>(11,715)</u>	\$ <u>(12,366)</u>

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Silver Buckle Mines, Inc.
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STATEMENT OF CASH FLOWS - UNAUDITED
For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FROM (USED FOR) OPERATING ACTIVITIES		
Net income (loss)	\$ (11,715)	\$ (12,366)
Adjustments to reconcile net loss to net cash used by operating activities:		
Loss on write off of development costs	7,200	7,200
Amortization		1
Rounding	15	(21)
Decrease (increase) in accounts payable		
(Decrease) increase in advances payable	<u> </u>	<u> </u>
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	<u>(4,500)</u>	<u>(5,186)</u>
NET INCREASE (DECREASE) IN CASH	(4,500)	(5,186)
CASH AT BEGINNING OF YEAR	<u>8,293</u>	<u>13,479</u>
CASH AT END OF YEAR	\$ <u><u>3,793</u></u>	\$ <u><u>8,293</u></u>

Supplement disclosures of cash flow information:

Income taxes paid	\$ 10	\$ 10
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Silver Buckle Mines, Inc.
Wallace Idaho

STATEMENT OF CHANGES IN CAPITAL - UNAUDITED
For the years ended December 31, 2023 and 2022

	<u>Common Stock</u> <u>Shares</u>	<u>Amount</u>	<u>Treasury</u> <u>Stock</u>	<u>Retained</u> <u>Earnings</u>	<u>Discount</u> <u>on</u> <u>Stock</u>	<u>Accumulated</u> <u>Deficit</u>	<u>Total</u>
Balance as of December 31, 2021	11,998,000	\$ 1,199,800	\$ (5,984)	\$ (610,964)	\$ (325,033)	\$	\$ 257,819
Rounding					1		1
2022 Net income (loss)				(12,366)			(12,366)
Balance as of December 31, 2022	11,998,000	1,199,800	(5,984)	(623,330)	(325,032)	-	245,454
Rounding				(11,715)			(11,715)
2023 Net operating income (loss)							-
Balance as of December 31, 2023	11,998,000	\$ 1,199,800	\$ (5,984)	\$ (635,045)	\$ (325,033)	\$ -	\$ 233,739

Prepared by Management.
See Accompanying Notes.

Silver Buckle Mines, Inc.

Notes to Financial Statements

1. Description of Business

Silver Buckle Mines, Inc. was formed in and incorporated on May 3, 1963 in the State of Idaho. The Company was organized to locate and develop mineral properties located principally in the United States of America. The Company is an exploration stage company and has incurred losses since the period of exploration stage. The Company has incurred losses since its inception and relies on related party advances and advanced royalties from a mining lease to fund operations.

2. Summary of Significant Accounting Policies

Exploration Stage Enterprise

The Company's financial statements are prepared in accordance with the provisions of Statement of Financial Accounting Standards No. 7, "Accounting for Development Stage Enterprises," as it devotes substantially all its efforts to exploring for mining interests and developing opportunities that will eventually provide sufficient net profits to sustain the Company's existence. Until such interests and opportunities are engaged in commercial production, the Company will continue to prepare its financial statements in accordance with entities in the exploration stage.

Cash and Cash Equivalents

For the purpose of the balance sheet and statement of cash flows, the Company considers all highly liquid investments purchased, with an original maturity of three months or less, to be a cash equivalent.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash and accounts payable, approximated their fair values at December 31, 2023 and 2022.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Exploration Costs

Exploration costs are expensed in the period in which they occur.

Silver Buckle Mines, Inc.
Notes to Financial Statements

2. Summary of Significant Accounting Policies, continued:

Net Loss Per Share

Such amounts, representing basic and diluted loss per share, are computed based on the weighted average number of shares outstanding during the periods December 31, 2023 and 2022.

Income Taxes

Income taxes are recognized in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," whereby deferred income tax liabilities or assets at the end of each period are determined using the tax rate expected to be in effect when the taxes are actually paid or recovered. A valuation allowance is recognized on deferred tax assets when it is more likely than not that some or all of these deferred tax assets will not be realized. The Company has not recorded an income tax provision, as it has no taxable income.

Stock Based Compensation

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123(R), "Share-Based Payment." This Statement is a revision to SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees" under which guidance the intrinsic value method was prescribed for awards to employees for services. SFAS No. 123(R) requires the measurement of the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost will be recognized over the period during which an employee is required to provide service in exchange for the award. No compensation cost is recognized for equity instruments for which employees do not render service.

The Company adopted SFAS 123(R) using the modified prospective transition method, which requires the application of the accounting standard as of January 1, 2010. There was no impact on the financial statements as of and for the year ended December 31, 2010 as a result of the adoption of SFAS 123(R). In accordance with the modified prospective transition method, the financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS 123(R).

Reclamation and Remediation

The Company's properties have been and are subject to, standards for mine reclamation that have been established by various governmental agencies. In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, "Accounting for Asset Retirement Obligations". SFAS 143 requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which the Company incurs a legal obligation for the retirement of tangible long-lived assets. A corresponding asset is also recorded and depreciated over the life of the asset. After the initial measurement of the asset retirement obligation, the liability will be adjusted at the end of each reporting period to reflect changes in the estimated future cash flows underlying the obligation. Determination of

Silver Buckle Mines, Inc.
Notes to Financial Statements

2. Summary of Significant Accounting Policies, continued:

any amounts recognized upon adoption is based upon numerous estimates and assumptions, including future retirement costs, future inflation rates and the credit-adjusted risk-free interest rates.

Environmental costs relating to properties put into production will be estimated based primarily upon environmental and regulatory requirements, and are accrued and charged to expense over the expected economic life of the operation using the units-of-production method. The liability for reclamation is classified as current or long-term based on the expected timing of the expenditures.

The Company accrues costs associated with environmental remediation obligations when it is probable that such costs will be incurred and they are reasonably estimable. Such costs will be based on management's estimate of amounts expected to be incurred when remediation work is performed. To date, management is unaware of any environmental proceedings or action pending against the Company.

Recent Accounting Pronouncements

In September 2010, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," (hereinafter "SFAS No. 157") which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. Where applicable, SFAS No. 157 simplifies and codifies related guidance within GAAP and does not require any new fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2011, and interim periods within those fiscal years. Earlier adoption is encouraged. The Company does not expect the adoption of SFAS No. 157 to have a significant immediate effect on its financial position or results of operation.

In December 2011, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB 51," which is effective for fiscal years and interim periods within those fiscal years, beginning on or after December 15, 2008. SFAS No. 160 amends ARB 51 to establish accounting and reporting standards for the noncontrolling ownership interest in a subsidiary and for the deconsolidation of a subsidiary. The Company is currently evaluating the potential impact of this statement on the financial statements and at this time does not anticipate a material effect.

In December 2011, the FASB revised SFAS No. 141 "Business Combinations." The revised standard is effective for transactions where the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS No. 141(R) will change the accounting for the assets acquired and liabilities assumed in a business combination.

- Acquisition costs will be generally expensed as incurred;
- Noncontrolling interests (formally known as "minority interests") will be valued at fair value at the acquisition date;

Silver Buckle Mines, Inc.
Notes to Financial Statements

2. Summary of Significant Accounting Policies, continued:

- Acquired contingent liabilities will be recorded at fair value at the acquisition date and subsequently measured at either the higher of such amount or the amount determined under existing guidance for nonacquired contingencies;
- In process research and development will be recorded at fair value as an indefinite lived intangible asset at the acquisition date;
- Restructuring costs associated with a business combination will be generally expensed subsequent to the acquisition date; and
- Changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense.

The adoption of SFAS No. 141(R) does not currently have a material effect on the Company's financial statements. However, any future business acquisitions occurring on or after the beginning of the first annual reporting period beginning on or after December 15, 2008 will be accounted for in accordance with this statement.

In February 2011, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities," which permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains on items for which the fair value option has been elected are to be reported in earnings. SFAS No. 159 will become effective as of the beginning of the first fiscal year that begins after November 15, 2011. The Company does not anticipate the adoption of SFAS No. 159 to have a material effect on results of operations or financial position.

3. Income Taxes

At December 31, 2023 and 2022, the Company had net operating loss carryforwards available for income tax purposes of approximately \$584,000 and \$572,000, respectively, which will expire beginning in 2024. The associated deferred tax asset at December 31, 2023 and 2022 is approximately \$158,000 and \$154,000, each year, which was calculated assuming a 27% marginal combined federal and state income tax rate, and has been fully reserved as management believes it is more likely than not that the deferred tax asset will not be utilized.

In July 2010, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement No. 109" ("FIN 48"), which provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. The Company is subject to the provisions of FIN 48 as of January 1, 2011, and has analyzed filing positions in all jurisdictions where it is required to file income tax returns, as well as all open years in those jurisdictions. As a result of the implementation of FIN 48, the Company did not recognize a material adjustment in the liability for unrecognized income tax benefits.

Silver Buckle Mines, Inc.
Notes to Financial Statements

3. Income Taxes, continued:

The following is a reconciliation of the reported amount of income tax expense attributable to continuing operations for the years ended December 31, 2023 and 2022, to the amount of income tax expense that would result from applying domestic federal statutory tax rates to pretax income from continuing operations:

	2023		2022	
Computed "statutory" (benefit) provision	\$	(2,460)	(21%)	\$ (2,596) (21%)
Effect of state taxes		(679)	(6%)	(740) (5%)
Change in valuation allowance other than utilization		<u>3,139</u>	<u>27%</u>	<u>3,336</u> <u>26%</u>
	\$	<u>0</u>	<u>0</u>	<u>0</u>

4. Stockholders' Equity

Common Stock

At December 31, 2023 and 2022, the Company was authorized to issue up to 12,000,000 shares of its \$0.10 par value common stock. At December 31, 2023 and 2022, the Company had one class of common stock authorized, issued and outstanding.

5. Related Party Transactions

At December 31, 2022 and 2021, the Company owed Magnuson Investments LLLP, a company co-owned by H. James Magnuson, a Director of the Company, \$103,348 and \$103,348 for advances made to the company over the last fifty years.

In addition, during the years ended December 31, 2023 and 2022, the Company paid H. F. Magnuson & Company, a company co-owned by Dennis O'Brien, a director of the Company, \$7,150 and \$7,090, respectively, for general and administrative, accounting, stock transfer and office expenses.