

UNITED RESOURCE HOLDINGS GROUP, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2012 and 2011 and INCEPTION to DECEMBER 31, 2012

with

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
of United Resource Holdings Group, Inc
Reno, Nevada

We have audited the accompanying consolidated financial statements of United Resource Holdings Group, Inc (an Exploration Stage Company), which comprise the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board (United States) and in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. United Resource Holdings Group, Inc is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

We were not engaged to audit, and we did not audit, the related statements of operations, stockholders' deficit and cash flows from inception (November 22, 2006) through December 31, 2011, and accordingly, we express no opinion or any other form of assurance on them.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Resource Holdings Group, Inc as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The consolidated financial statements of United Resource Holdings Group, Inc as of December 31, 2011, were audited by other auditors whose report dated February 25, 2013, on those statements included an emphasis-of-matter paragraph describing conditions that raised substantial doubt about the Company's ability to continue as a going concern. In addition the other auditors did not audit the inception to date information from inception through December 31, 2009.

Emphasis of Matter – Uncertainty Regarding Going Concern

The accompanying consolidated financial statements have been prepared assuming that United Resource Holdings Group, Inc will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, United Resource Holdings Group, Inc has no principal operations or significant revenue producing activities. Those conditions raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

/s/ Haynie & Company
Salt Lake City, Utah
January 29, 2014

United Resource Holdings Group, Inc.
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS

	December 31, 2012	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,979	\$ 3,539
Supplies Inventory	28,978	-
TOTAL CURRENT ASSETS	31,957	3,539
OTHER ASSETS		
Exploratory properties	2,588,082	2,588,082
Property and equipment	5,791,054	992,091
Goodwill	8,192,574	-
TOTAL OTHER ASSETS	16,571,710	3,580,173
TOTAL ASSETS	\$ 16,603,667	\$ 3,583,712
 LIABILITIES AND STOCKHOLDERS' EQUITY / DEFICIT		
CURRENT LIABILITIES		
Accounts payable	\$ 202,714	\$ -
Related party payable	131,882	100
Note payable	100,000	-
TOTAL LIABILITIES	434,596	100
Commitments and Contingencies	-	-
 STOCKHOLDERS' EQUITY / (DEFICIT)		
Common Stock, 200,000,000 par value \$0.001 authorized; 100,319,220 and 41,462,833 issued and outstanding on December 31, 2012 and 2011, respectively	100,321	41,463
Additional paid in capital	17,054,987	4,872,531
Deficit accumulated during the exploration stage	(2,460,218)	(1,330,382)
Total United Resource Holdings Group stockholders' equity	14,695,090	3,583,612
Non-controlling interest	1,473,981	-
TOTAL STOCKHOLDERS' EQUITY / (DEFICIT)	16,169,071	3,583,612
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY / (DEFICIT)	\$ 16,603,667	\$ 3,583,712

The accompanying notes are an integral part of these statements.

United Resource Holdings Group, Inc.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		From Inception on November 22, 2006 to December 31, 2012 (Unaudited)
	2012	2011	
Income	\$ -	\$ -	\$ -
Operating Expenses			
General and administrative	241,528	64,800	336,223
Payroll and related	358,989	66,900	516,722
Impairment of exploratory properties	-	-	610,000
Mill and refining costs	65,827		65,827
Professional fees	388,741	126,201	520,753
Exploration costs	52,401	151,610	328,343
Total expenses	<u>1,107,486</u>	<u>409,511</u>	<u>2,377,868</u>
Net loss from operations	(1,107,486)	(409,511)	(2,377,868)
Other expenses			
Interest expense	<u>(73,121)</u>	<u>(60,000)</u>	<u>(133,121)</u>
Total other expenses	<u>(73,121)</u>	<u>(60,000)</u>	<u>(133,121)</u>
Net loss	(1,180,607)	(469,511)	(2,510,989)
Less: Net loss attributable to non-controlling interest	<u>(50,771)</u>	<u>-</u>	<u>(50,771)</u>
Net loss attributable to United Resource Holdings Group	<u>\$ (1,129,836)</u>	<u>\$ (469,511)</u>	<u>\$ (2,460,218)</u>
Loss per share- basic and diluted attributed to United Resource Holdings Group	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	
Weighted average shares outstanding - basic and diluted	<u>68,553,505</u>	<u>32,938,134</u>	

The accompanying notes are an integral part of these statements.

United Resource Holdings Group, Inc.
(An Exploration Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

From Inception on November 22, 2006 to December 31, 2012

	Common Stock		Paid in Capital	Deficit Accumulated During the Exploration Stage	Non-controlling Interest	Total Equity
	Shares	Amount				
Balance November 22, 2006 (unaudited)	10,538,217	\$ 10,538	\$ (10,538)	\$ -		\$ -
Common stock issued for exploratory properties in November 2006 at \$0.10 per share	3,000,000	3,000	297,000	-		300,000
Net Loss	-	-	-	-		-
Balance, December 31, 2006 (unaudited)	13,538,217	\$ 13,538	\$ 286,462	\$ -	\$ -	\$ 300,000
Common stock issued for exploratory properties in February 2007 at \$0.31 per share	1,000,000	1,000	309,000	-	-	310,000
Common stock issued for promissory note conversion in March 2007 at \$0.31 per share	32,250	32	9,943	-	-	9,975
Common stock issued for promissory note conversion in June 2007 at \$0.38 per share	14,323	15	5,485	-	-	5,500
Common stock issued for promissory note conversion in August 2007 at \$0.39 per share	2,578	3	997	-	-	1,000
Common stock issued for promissory note conversion in October 2007 at \$0.07 per share	87,143	87	5,913	-	-	6,000
Net Loss	-	-	-	(20,146)	-	(20,146)
Balance, December 31, 2007 (unaudited)	14,674,511	\$ 14,675	\$ 617,800	\$ (20,146)	\$ -	\$ 612,329
Common stock issued for promissory note conversion in February 2008 at \$0.06 per share	954,288	954	54,314	-	-	55,268
Common stock issued for officer compensation issued in April 2008 at \$0.05 per share	420,975	421	21,221	-	-	21,642
Common stock issued for promissory note conversion in April 2008 at \$0.07 per share	91,429	91	6,309	-	-	6,400
Common stock issued for promissory note conversion in June 2008 at \$0.07 per share	128,572	129	8,871	-	-	9,000
Common stock issued for promissory note conversion in July 2008 at \$0.04 per share	738,624	739	26,303	-	-	27,042
Net Loss	-	-	-	(180,985)	-	(180,985)
Balance, December 31, 2008 (unaudited)	17,008,399	\$ 17,009	\$ 734,818	\$ (201,131)	\$ -	\$ 550,696

From Inception on November 22, 2006 to December 31, 2012

	Common Stock		Paid in Capital	Deficit Accumulated During the Exploration Stage	Non-controlling Interest	Total Equity
	Shares	Amount				
Common stock issued for promissory note conversion in January 2009 at \$0.02 per share	4,159,434	4,159	79,008	-	-	83,167
Net Loss	-	-	-	(654,740)	-	(654,740)
Balance, December 31, 2009 (unaudited)	21,167,833	\$ 21,168	\$ 813,826	\$ (855,871)	\$ -	\$ (20,877)
Net Loss	-	-	-	(5,000)	-	(5,000)
Balance, December 31, 2010	21,167,833	\$ 21,168	\$ 813,826	\$ (860,871)	\$ -	\$ (25,877)
Common stock issued for cash in May 2011 at \$0.20 per share	925,000	925	184,075	-	-	185,000
Common stock issued for asset acquisitions in May 2011 at \$0.20 per share	16,200,000	16,200	3,223,800	-	-	3,240,000
Common stock issued for promissory note conversion in May 2011 at \$0.05 per share	400,000	400	19,600	-	-	20,000
Non-cash inducement expense	-	-	60,000	-	-	60,000
Common stock issued for cash in July 2011 at \$0.20 per share	100,000	100	19,900	-	-	20,000
Common stock issued for services in July 2011 at \$0.20 per share	100,000	100	19,900	-	-	20,000
Common stock issued for cash in August 2011 at \$0.20 per share	900,000	900	179,100	-	-	180,000
Common stock issued for equipment acquisitions in August 2011 at \$0.20 per share	300,000	300	59,700	-	-	60,000
Common stock issued for cash in September 2011 at \$0.20 per share	100,000	100	19,900	-	-	20,000
Common stock issued for services in September 2011 at \$0.20 per share	120,000	120	23,880	-	-	24,000
Common stock issued for cash in October 2011 at \$0.20 per share	50,000	50	9,950	-	-	10,000
Common stock issued for cash in November 2011 at \$0.20 per share	100,000	100	19,900	-	-	20,000
Common stock issued for cash in December 2011 at \$0.20 per share	1,000,000	1,000	199,000	-	-	200,000
Related party expense accrual forgiveness	-	-	20,000	-	-	20,000
Net Loss	-	-	-	(469,511)	-	(469,511)
Balance, December 31, 2011	41,462,833	\$ 41,463	\$ 4,872,531	\$ (1,330,382)		\$ 3,583,612

From Inception on November 22, 2006 to December 31, 2012

	Common Stock		Paid in Capital	Deficit Accumulated During the Exploration Stage	Non-controlling Interest	Total Equity
	Shares	Amount				
Common stock issued for equipment acquisitions in January 2012 at \$0.20 per share	300,000	300	59,700	-	-	60,000
Common stock issued for cash in February 2012 at \$0.20 per share	87,500	88	17,412	-	-	17,500
Common stock issued for cash in March 2012 at \$0.20 per share	305,000	305	72,695	-	-	73,000
Common stock issued for services in March 2012 at \$0.20 per share	50,000	50	9,950	-	-	10,000
Common stock issued for director compensation in March 2012 at \$0.20 per share	62,500	62	12,438	-	-	12,500
Common stock issued for cash in April 2012 at \$0.20 per share	86,667	87	34,913	-	-	35,000
Common stock issued for cash in May 2012 at \$0.20 per share	950,000	950	189,050	-	-	190,000
Common stock issued for cash in June 2012 at \$0.20 per share	200,000	200	39,800	-	-	40,000
Common stock issued for director compensation in June 2012 at \$0.20 per share	62,500	63	12,437	-	-	12,500
Common stock issued for cash in July 2012 at \$0.20 per share	1,400,000	1,400	278,600	-	-	280,000
Common stock issued for investment in subsidiary in July at \$0.20 per share	53,150,515	53,151	10,576,952	-	1,524,752	12,154,855
Common stock issued for promissory note conversion in September 2012 at \$0.40 per share	750,000	750	299,250	-	-	300,000
Common stock issued for director compensation in September 2012 at \$0.40 per share	62,500	63	24,937	-	-	25,000
Common stock issued for services in October 2012 at \$0.40 per share	159,375	159	63,591	-	-	63,750
Common stock issued for equipment acquisitions in October 2012 at \$0.40 per share	1,000,000	1,000	399,000	-	-	400,000
Common stock issued for cash in November 2012 at \$0.40 per share	150,000	150	59,850	-	-	60,000
Common stock issued for services in November 2012 at \$0.40 per share	17,400	17	6,944	-	-	6,961
Common stock issued for director compensation in December 2012 at \$0.40 per share	62,500	63	24,937	-	-	25,000
Net Loss				(1,129,836)	(50,771)	(1,180,607)
Balance, December 31, 2012	100,319,290	\$ 100,321	\$ 17,054,987	\$ (2,460,218)	1,473,981	\$ 16,169,071

The accompanying notes are an integral part of these statements.

United Resource Holdings Group, Inc.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		From Inception November 22, 2006 to December 31, 2012
	2012	2011	(Unaudited)
OPERATING ACTIVITIES			
Net loss	\$ (1,180,607)	\$ (469,511)	\$ (2,510,989)
Adjustments to reconcile net loss to cash used in operating activities:			
Shares for services	155,711	44,000	284,520
Non cash interest expense	50,960	60,000	110,960
Impairment of exploratory properties	-	-	610,000
Changes in assets and liabilities			
Accounts payable	100,687	(5,777)	120,787
Related party payable	131,782	-	131,782
	<u>(741,467)</u>	<u>(371,288)</u>	<u>(1,252,940)</u>
NET CASH USED BY OPERATING ACTIVITIES			
INVESTMENT ACTIVITIES			
Cash acquired in acquisition	19,092	-	19,092
Acquisition of property and equipment	(293,067)	(280,173)	(573,240)
	<u>(273,975)</u>	<u>(280,173)</u>	<u>(554,148)</u>
CASH USED BY INVESTMENT ACTIVITIES			
FINANCING ACTIVITIES			
Proceeds from sale of common stock	700,500	635,000	1,335,500
Proceeds from related party advances	114,482	-	114,482
Proceeds from notes payable	250,000	20,000	410,185
Repayment of related party advances	(50,100)	-	(50,100)
	<u>1,014,882</u>	<u>655,000</u>	<u>1,810,067</u>
CASH PROVIDED BY FINANCING ACTIVITIES			
Net change in cash	(560)	3,539	2,979
Cash and cash equivalents, beginning of period	3,539	-	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 2,979</u>	<u>\$ 3,539</u>	<u>\$ 2,979</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS FOR:			
Interest	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING:			
Stock issued for exploratory properties	\$ -	\$ -	\$ 610,000
Stock issued for equipment and other asset acquisitions	\$ 12,614,855	\$ 3,300,000	\$ 15,914,855
Note payable issued for equipment acquisition	\$ 100,000	\$ -	\$ 100,000
Stock issued for settlement of promissory notes	\$ 250,000	\$ 20,000	\$ 410,185

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations and Basis of Presentation

United Resource Holdings Group, Inc. (an Exploration Stage Company); its wholly-owned subsidiaries, Dun Glen Mining Corp. and Pershing County Metal, Inc.; and its majority-owned subsidiary, United Milling and Refining Corp. (“UMR”; formerly Noble Technologies Corp.); (collectively, the “Company”) are incorporated in the State of Nevada.

The Company’s principal business activity is the acquisition, exploration, and development of precious metal-bearing properties in North America.

Through UMR, the Company also has the capability to process and refine mineral ores and sands.

The Company is considered to be an exploration stage company, and substantially all of its efforts are devoted to pursuing these types of opportunities in the mining sector.

Basis of Presentation

These consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States of America with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements consist of the parent, United Resource Holdings Group, Inc.; its wholly-owned subsidiaries Dun Glen Mining Corp. and Pershing County Metal, Inc.; and provisional amounts reflecting the acquisition of 87.5% United Milling and Refining Corp. (formerly Noble Technologies Corp.). All inter-company balances and transactions have been eliminated upon consolidation.

Use of Estimates

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

Fair Value of Financial Instruments

The fair values of the Company’s financial instruments are presented in accordance with three-tiered hierarchy as established by GAAP. The fair value of financial instruments is the amount at which the instruments could be exchanged in a current transaction between willing parties. The Company considers the carrying costs of current assets and liabilities approximate their fair values due to the short period of time between the origination of such instruments and their expected realization.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and financial instruments which mature within three months of the date of purchase. For the periods presented, the Company did not hold any cash equivalents.

Stock Based Compensation

The Company has on occasion issued equity and equity linked instruments to employees and non-employees in lieu of cash for the receipt of goods and services and, in certain circumstances the settlement of short-term loan arrangements. The applicable GAAP establishes that share-based payment transactions with non-employees shall be measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable.

In these transactions, the Company issues unregistered and restricted equity instruments and determines the fair value of the unregistered and restricted shares issued in compensation transactions with non-employees based on its principal and most active trading market, private placements with independent investors. Further, the Company's quoted market does not represent the most reliably measurable fair value based upon the liquidity restrictions placed upon our unregistered restricted equity instruments along with the quoted market not being the most active or principal trading market.

When unregistered restricted common shares are issued for the settlement of short-term financing arrangements, the reacquisition price of the extinguished financing arrangement is determined by the value of the debt which is more clearly evident, and no additional inducement expense is recognized.

In situations in which we issue unregistered restricted common shares in exchange for goods and services, and the value of the goods and services are not the most reliably measurable, we recognize the fair value of the unregistered restricted equity instruments based on the value of similar instruments issued in private placements in exchange for cash in the most recent transactions. The Company has determined this methodology reflects the risk adjusted fair value of our unregistered restricted equity instruments using a commercially reasonable valuation technique within the most active market.

Exploratory Property Costs

The acquisition costs of exploratory properties are initially capitalized. Subsequent exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve.

The Company assesses the carrying costs for impairment periodically, at least annually or when circumstances arise that may indicate the properties may be impaired. In the event the properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

Property, Plant and Equipment

Property and equipment are recorded at historical cost. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated over their estimated useful lives. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period.

Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. As of December 31, 2012, the Company has not placed its property and equipment in service and no depreciation expense has been recognized through December 31, 2012.

Impairment of Long-Lived Assets

The Company reviews the recoverability of its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about future operating performance, and may differ from actual cash flows. Long-lived assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be

written down to the estimated fair value in the period in which the determination is made. No impairment was recognized for the periods presented.

Goodwill

The Company tests goodwill for impairment at least annually. The Company assesses goodwill impairment risk by first performing a qualitative review of entity-specific, industry, market and general economic factors. If significant potential goodwill impairment risk exists, the Company applies a two-step quantitative test. The first step compares the estimated fair value with its carrying value. If the carrying value exceeds its fair value, the second step is applied to measure the difference between the carrying value and implied fair value of goodwill. If the carrying value of goodwill exceeds its implied fair value, the goodwill is considered impaired and reduced to its implied fair value. No impairment of goodwill has been recognized in the periods presented.

Supplies Inventory

The Company's supplies inventory is carried at cost and consists of chemicals and compounds purchased from third party suppliers and used in the Company's milling, refining, and recovery of precious metals.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in financial statements or tax returns. Deferred tax items are reflected at the enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. Due to the uncertainty regarding the success of future operations, management has valued the deferred tax asset allowance at 100% of the related deferred tax assets.

As of December 31, 2012 and 2011 the Company did not have any amounts recorded pertaining to uncertain tax positions. The Company files federal income tax returns in the United States. The Company may be subject to reassessment of federal taxes for a period of three years from the date of the original notice of assessment in respect of any particular taxation year. For U.S. income tax returns, the open taxation years range from 2010 to 2012. In certain circumstances, the U.S. federal statute of limitations can reach beyond the standard three year period.

Recent Accounting Pronouncements

There are no recently issued accounting pronouncements that the Company expects to have a material impact on the financial position, results of operations, or cash flows.

Reclassifications

Certain reclassifications have been made to the prior period financial statement presentation in order to conform to the current period presentation. These reclassifications have no effect on the previously reported financial position, results of operations, or cash flows.

3. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Since inception, the Company has had no operating revenues to offset its operating losses. The Company's ability to continue as a going concern is uncertain and is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors.

In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected. Current market conditions have made it increasingly difficult to raise additional capital at favorable terms.

If financing is acquired, the Company's ability to achieve and maintain profitability and positive cash flow is dependent upon its ability to establish a profitable mineral property and generate revenues from commercial production. There is no assurance that the Company will be able to establish an economical mineral property or that the Company will commence commercial production.

These financials do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might result from this uncertainty.

4. Business Acquisitions

Dun Glen Mining Corp.

On May 9, 2011 the Company acquired 100% of the 3,000,000 outstanding shares of common stock of Dun Glen Mining Corp. ("Dun Glen") in exchange for 15,000,000 restricted shares of common stock.

The Company accounted for the transaction as an asset acquisition method in which the fair value of the consideration given, \$3,000,000, was allocated to the identifiable assets acquired of \$3,000,000, consisting of equipment and an exploratory property. The Company did not assume any liabilities as part of the acquisition. Upon completion of the acquisition, Dun Glen became a wholly-owned subsidiary of United Resource Holdings Group.

Pershing County Metal, Inc.

On May 9, 2011 the Company acquired 100% of the 600,000 outstanding shares of common stock of Pershing County Metal, Inc. ("Pershing") in exchange for 1,200,000 restricted shares of common stock.

The Company accounted for the transaction as an asset acquisition method in which the fair value of the consideration given, \$240,000, was allocated to the identifiable assets acquired of \$240,000, consisting of equipment. The Company did not assume any liabilities as part of the acquisition. Upon completion of the acquisition, Pershing became a wholly-owned subsidiary of United Resource Holdings Group.

United Milling and Refining Corp. (formerly Noble Technologies Corp)

On July 16, 2012 the Company acquired approximately 87.5%, representing 159,951,513 outstanding shares of common stock, of United Milling and Refining Corp. ("United Milling") in exchange for 53,150,515 restricted shares of common stock. The Company accounted for the transaction as a business combination by applying the acquisition method in which the fair value of the consideration given, \$12,154,855 inclusive of the minority interest of \$1,524,752, was allocated to the identifiable assets acquired of \$4,468,869 primarily consisting of machinery and equipment; the liabilities assumed of \$538,636; and the goodwill acquired of \$8,192,574. Subsequent to the completion of the acquisition, United Milling became a majority-owned development stage subsidiary of United Resource Holdings Group, Inc.

Since the fair value of the consideration given exceeded the fair value of the identifiable assets acquired and liabilities assumed, the Company recognized goodwill in accordance with the acquisition method. Correspondingly, the Company performed a preliminary impairment analysis of the goodwill acquired as of December 31, 2012 in accordance with the applicable US GAAP and the Company's corresponding accounting policies. Based on the results of a comprehensive analysis of the qualitative factors as of December 31, 2012 the Company determined there were no indicators the fair value of the acquired reporting unit (United Milling) inclusive of goodwill did not exceed its carrying amount, thus no impairment was recognized.

The following table reflects the assets and liabilities acquired at their estimated fair values on the acquisition date:

Description	Amount
Current assets	\$ 42,950
Machinery and Equipment	\$ 4,425,919
Goodwill	\$ 8,192,574
Assumed Current Liabilities	\$ (538,636)
Non-Controlling Equity Interest	\$ 1,524,752

As of December 31, 2012, United Resource Holdings Group had an outstanding receivable due from United Milling of \$767,601 that has been eliminated upon consolidation.

5. Pro Forma Financial Information (Unaudited)

The following tables represent pro forma financial information reflective of the acquisition of United Milling and Refining if the acquisition had occurred at the beginning of the earliest period presented in these financial statements.

UNITED RESOURCE HOLDINGS GROUP, INC.
PRO FORMA CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	URHG December 31, 2011	UMR December 31, 2011		UMR December 31, 2011
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,539	\$ 1,113		\$ 4,652
Supplies Inventory	-	-		-
TOTAL CURRENT ASSETS	<u>3,539</u>	<u>1,113</u>		<u>4,652</u>
OTHER ASSETS				
Exploratory properties	2,588,082	-		2,588,082
Property and equipment	992,091	3,882,356		4,874,447
Goodwill	-	-	8,472,359 ¹	<u>8,472,359</u>
TOTAL OTHER ASSETS	<u>3,580,173</u>	<u>3,882,356</u>		<u>15,934,888</u>
TOTAL ASSETS	<u>\$ 3,583,712</u>	<u>\$ 3,883,469</u>		<u>\$ 15,939,540</u>
LIABILITIES AND STOCKHOLDERS' EQUITY / DEFICIT				
CURRENT LIABILITIES				
Accounts payable	\$ -	\$ 104,291		\$ 104,291
Related party payable	100	96,681		96,781
TOTAL LIABILITIES	<u>100</u>	<u>200,972</u>		<u>201,072</u>
Commitments and Contingencies	-	-		-
STOCKHOLDERS' EQUITY / (DEFICIT)				
Common Stock, 200,000,000 par value \$0.001 authorized and 94,613,348 on a pro forma basis at December 31, 2011	41,463	151,058	(97,907) ¹	94,614
Additional paid in capital	4,872,531	5,127,290	8,170,809 ^{1,2}	16,736,738
Deficit accumulated during the exploration stage	(1,330,382)	(1,595,851)	399,457	<u>(2,526,776)</u>
Total United Resource Holdings Group stockholders' equity	3,583,612	3,682,497		14,304,576
Non-controlling interest	-	-		<u>1,433,892</u>
TOTAL STOCKHOLDERS' EQUITY / (DEFICIT)	<u>3,583,612</u>	<u>3,682,497</u>		<u>15,738,468</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY / (DEFICIT)	<u>\$ 3,583,712</u>	<u>\$ 3,883,469</u>		<u>\$ 15,939,540</u>

¹ Adjustment is reflective of the allocation of the consideration given of \$12,154,855 to acquire the assets and assume the liabilities, inclusive of goodwill based on the carrying value of United Milling and Refining, and the elimination of the par value of the United Milling common stock.

² Adjustment to eliminate the prior retained earnings of United Milling and Refining as of January 1, 2011.

UNITED RESOURCE HOLDINGS GROUP, INC.
PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Post-Acquisition 2012 URHG	Pre-Acquisition 2012 UMR	Adjustments	January 1 to December 31, 2012 Consolidated
Income	\$ -	\$ -	\$ -	\$ -
Operating Expenses				
General and administrative	241,528	111,454	-	352,982
Payroll and related	338,892	146,049	-	484,941
Mill and refining costs	65,827	148,617	-	214,444
Professional fees	388,741	10,822	-	399,563
Exploration costs	52,401	-	-	52,401
Total expenses	<u>1,087,389</u>	<u>416,942</u>	<u>-</u>	<u>1,504,331</u>
Net loss from operations	(1,087,389)	(416,942)	-	(1,504,331)
Other expenses				
Interest expense	<u>(73,121)</u>	<u>-</u>	<u>-</u>	<u>(73,121)</u>
Total other expenses	<u>(73,121)</u>	<u>-</u>	<u>-</u>	<u>(73,121)</u>
Net loss	(1,160,510)	(416,942)	-	(1,577,452)
Less: Net loss attributable to non-controlling interest	<u>(48,430)</u>	<u>(52,118)</u>	<u>-</u>	<u>(100,548)</u>
Net loss attributable to United Resource Holdings Group	<u>\$ (1,112,080)</u>	<u>\$ (364,824)</u>	<u>\$ -</u>	<u>\$ (1,476,904)</u>

UNITED RESOURCE HOLDINGS GROUP, INC.
PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Year Ended December 31,		Adjustments	Consolidated
	2011 URHG	2011 UMR		
Income	\$ -	\$ -	\$ -	\$ -
Operating Expenses				
General and administrative	64,800	275,655	-	340,455
Payroll and related	66,900	328,958	-	395,858
Mill and refining costs		-		-
Professional fees	126,201	102,950	-	229,151
Exploration costs	151,610			151,610
Total expenses	409,511	707,563	-	1,117,074
Net loss from operations	(409,511)	(707,563)	-	(1,117,074)
Other expenses				
Interest expense	(60,000)	(19,320)	-	(79,320)
Total other expenses	(60,000)	(19,320)	-	(79,320)
Net loss	(469,511)	(726,883)	-	(1,196,394)
Less: Net loss attributable to non-controlling interest	-	(90,860)	-	(90,860)
Net loss attributable to United Resource Holdings Group	\$ (469,511)	\$ (636,023)	\$ -	\$ (1,105,534)

6. Related Party Transactions

Periodically, since inception, the Company has received short-term operating advances from its officers and significant shareholders. In most instances the Company has been successful in settling the due on demand obligations via the issuance of restricted shares of common stock.

As of December 31, 2012 and 2011, the Company had \$131,882 and \$100, respectively, in obligations due to related parties.

During the years ended December 31, 2012 and 2011, the Company paid \$62,000 and \$18,400, respectively, in consulting fees to a family member of the CEO.

7. Shareholders' Equity

Common Stock

The authorized share capital of the Company consists of 200,000,000 shares of common stock with a par value of \$0.001 per share. At December 31, 2012 and 2011, the Company had 100,319,290 and 41,462,833 shares of common stock issued and outstanding, respectively.

The following is a discussion of the common stock issuances since the Company's inception:

Prior to the inception of the Company's current exploration activities in November 2006, there were 10,538,217 shares of common stock outstanding.

In November 2006 the Company issued 3,000,000 shares of common stock at \$0.10 per share for the acquisition of exploratory properties valued at \$300,000.

In February 2007 the Company issued 1,000,000 shares of common stock at \$0.31 per share for the acquisition of exploratory properties valued at \$310,000.

During the year ended December 31, 2007 the Company issued a total of 136,294 shares of common stock at prices ranging from \$0.07 to \$0.39 per share to settle previously outstanding promissory notes totaling \$22,475.

In April 2008 the Company issued 420,975 shares of common stock at \$0.05 per share for officer compensation totaling \$21,642.

During the year ended December 31, 2008 the Company issued a total of 1,912,913 shares of common stock at prices ranging from \$0.04 to \$0.07 per share to settle previously outstanding promissory notes totaling \$97,710.

During the year ended December 31, 2009 the Company issued 4,159,434 shares of common stock at \$0.02 per share to settle previously outstanding promissory notes totaling \$83,167.

The Company did not issue any shares of common stock during the year ended December 31, 2010.

During the year ended December 31, 2011 the Company issued 3,175,000 shares of common stock at \$0.20 per share for cash proceeds totaling \$635,000.

During the year ended December 31, 2011 the Company issued 16,200,000 shares of common stock at \$0.20 per share for total consideration of \$3,240,000 for the acquisition of Dun Glen Mining Corp. and Pershing County Metals, Inc.

During the year ended December 31, 2011 the Company issued 400,000 shares of common stock at \$0.20 per share with a total value of \$80,000. Since the initial note obligation at the time of conversion totaled \$20,000 the Company recognized additional inducement expense of \$60,000, classified as interest expense in the consolidated statement of operations.

During the year ended December 31, 2011 the Company issued 300,000 shares of common stock at \$0.20 per share for the acquisition of equipment totaling \$60,000.

During the year ended December 31, 2011 the Company issued 220,000 shares of common stock at \$0.20 per share for services totaling \$44,000.

During the year ended December 31, 2012 the Company issued 3,029,167 shares of common stock at \$0.20 per share for cash totaling \$635,500.

During the year ended December 31, 2012 the Company issued 150,000 shares of common stock at \$0.40 per share for cash totaling \$60,000.

During the year ended December 31, 2012 the Company issued 1,300,000 shares of common stock at for the acquisition of equipment totaling \$460,000.

During the year ended December 31, 2012 the Company issued 175,000 shares of common stock at \$0.20 per share for services totaling \$35,000 of which 125,000 shares with a value of \$25,000 were for director compensation.

During the year ended December 31, 2012 the Company issued 1,051,775 shares of common stock at \$0.40 per share for services totaling \$420,710 of which 125,000 shares with a value of \$50,000 were for director compensation.

During the year ended December 31, 2012 the Company issued 53,150,515 shares of common stock at \$0.20 per share for total consideration of \$12,154,855 for the acquisition of 87.5% of the outstanding stock of United Milling and Refining Corp. (formerly Noble Technologies Corp.).

8. Property and Equipment

Property and equipment at December 31, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Milling machinery and equipment	\$ 4,411,164	
Mining machinery and equipment	1,365,135	\$ 992,091
Office equipment and computers	27,214	=
Property and equipment	<u>\$ 5,791,054</u>	<u>\$ 992,091</u>

During the years ended December 31, 2012 and 2011 no depreciation expense was recognized on the Company mining and milling machinery and equipment as it was not placed in service.

9. Note Payable

In October 2012 the Company entered into a short term note payable agreement for the purchase of equipment for \$100,000. The note was initially due in November 2012 and is in default as of December 31, 2012. The note accrues simple interest based on the monthly federal rate as published by the Internal Revenue Service. At December 31, 2012 the interest rate was 0.53%.

10. Leases

The Company's majority owned subsidiary, United Milling, leases its milling and refining facility under the terms of an operating lease that expired in March of 2013. As of December 31, 2012, United Milling had approximately \$36,100 in lease obligations remaining in accordance with the terms of this lease. From April 1, 2013 through the date of issuance of these financial statements the United Milling remained in the premises on a month to month basis with a base monthly rent of approximately \$18,100 while continue negotiations with the landlord.

The parent, United Resource Holdings, leases an executive suite on a monthly basis with base monthly rent of \$564.

The Company leases its Dun Glen exploratory property located in Pershing County, Nevada. The lease effectively expires on January 2, 2020 and may be extended up to three times at the Company's sole discretion with each extension period being ten years. The lease requires monthly minimum royalty payments of \$3,000 per month. In addition, the Company is required to pay net smelter royalties of between 2% and 6% of the gold recovered from the property. The maximum royalty required by the Company in any annual period is \$36,000. The Company may terminate the lease at any time upon prompt delivery of notice of termination and is not subject future obligations remaining on the lease on the date of termination.

11. Income Taxes

The Company uses an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect currently.

Using this approach requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In management's opinion, it is uncertain the Company will generate sufficient taxable income in the future to fully

utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded.

For the periods presented, the Company has immaterial permanent differences related to incurred meals and entertainment expenses, and no temporary differences. The following table provides a description of the deferred tax assets on a gross and net basis using an estimated tax rate of 34%.

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Deferred tax asset	\$ 836,000	\$ 452,000
Valuation allowance	<u>(836,000)</u>	<u>(452,000)</u>
Deferred tax asset, net	<u>\$ -</u>	<u>\$ -</u>

The components of income tax expense for years ended December 31, 2012 and 2011, respectively, are as follows:

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Change in Net Operating Loss	\$ 384,000	\$ 159,000
Change in Valuation Allowance	<u>(384,000)</u>	<u>(159,000)</u>
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>

For the periods presented the effective rate was 0% as compared to the statutory tax of 35% due to the on-going incurrence of operating losses.

The Company has total net operating loss carry-forwards of approximately \$2,460,000 that begin to expire in 2026. The Company does not have any uncertain tax position as of and through December 31, 2012.

12. Subsequent Events

The Company evaluated its subsequent events through January 29th, 2014; the date through which the financial statements were issued.