

KADING COMPANIES, S.A.
(A BRITISH VIRGIN ISLANDS CORPORATION)
New York, New York

FINANCIAL REPORT
AT
AUGUST 31, 2017

KADING COMPANIES, S.A.
(A BRITISH VIRGIN ISLANDS CORPORATION)
New York, New York

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Board of Directors
Kading Companies, S.A
New York, New York

Management is responsible for the accompanying financial statements of Kading Companies, S.A., which comprise the balance sheet as of August 31, 2017 and the related statement of operations, statement of changes in equity and statement of cash flows for the year then ended, and the selected information to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that majority owned subsidiaries be reported on the parent's financial statements. Management has informed me that a 70% owned subsidiary's information is not available. Because the significance and pervasiveness of the matter previously discussed makes it difficult to assess its impact on the financial statements as a whole, users of these financial statements should recognize that they might reach different conclusions about the Company's financial position, results of operations, and cash flows if they had access to revised financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note D to the financial statements, these conditions raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments should the Company be unable to continue as a going concern.

I am not independent with respect to Kading Companies, S.A.

/s/ *Carolyn Merrill* CPA, LLC

Rochester, New York
October 22, 2019

KADING COMPANIES, S.A.
(A BRITISH VIRGIN ISLANDS CORPORATION)
New York, New York

BALANCE SHEET - UNAUDITED

August 31, **2017**

ASSETS

Other Assets

Investments - at Cost	\$ 1,046,000
Notes Receivable - Related Party	2,184,760

Total Assets	\$ 3,230,760
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LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Current Liabilities

Accounts Payable	\$ 38,163
Accrued Interest Payable	217,222

Total Current Liabilities	255,385
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Long Term Liabilities

Convertible Note Payable	1,000,000
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Total Liabilities	1,255,385
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Stockholders' Equity

Common Stock - \$.01 Par; 500,000,000 Shares Authorized, 246,512,000 Shares Issued and Outstanding	2,465,120
Additional Paid-In-Capital	1,706,366
Deficit Accumulated Since Inception	(2,196,111)

Total Stockholders' Equity	1,975,375
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Total Liabilities and Stockholders' Equity	\$ 3,230,760
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No assurance is provided on these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AUGUST 31, 2017 - UNAUDITED

	Common Stock \$.01 Par Shares	Amount	Stock Subscriptions Payable	Additional Paid-In Capital	Deficit Accumulated Since Inception	Total Stockholders' Equity
Balance - September 1, 2016	209,512,000	\$ 2,095,120	\$ (25,000)	\$ 1,706,366	\$ (1,717,358)	\$ 2,059,128
Common Stock Issued for in Exchange for Rent	1,000,000	10,000	—	—	—	10,000
Common Stock Issued in Exchange for Officer's Compensation	35,000,000	350,000	—	—	—	350,000
Cash Received on Prior Issued Common Stock	—	—	25,000	—	—	25,000
Common Stock Issued - Increase to Note Receivable - Related Party	1,000,000	10,000	—	—	—	10,000
Net Loss	—	—	—	—	(478,753)	(478,753)
Balance - August 31, 2017	246,512,000	\$ 2,465,120	\$ —	\$ 1,706,366	\$ (2,196,111)	\$ 1,975,375

No assurance is provided on these financial statements.

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STATEMENT OF OPERATIONS - UNAUDITED

For the Year Ended August 31,		2017
Sales	\$	—
Cost of Sales		—
Gross Profit		—
Expenses		
General and Administrative		16,907
Officer's Compensation		350,000
Interest Expense		100,000
Loss on Worthless Stock Investment		11,846
Total Expenses		478,753
Net Loss Before Provision for Taxes		478,753
Provision for Taxes		—
Net Loss	\$	(478,753)
Loss per Share - Basic and Diluted	\$	(0.00)
Weighted Average Common Shares Outstanding		216,470,904

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STATEMENT OF CASH FLOWS - UNAUDITED

For the Year Ended August 31,	2017
Cash Flows from Operating Activities	
Net Loss	\$ (478,753)
Non-Cash Adjustments:	
Bad Debt - Note Receivable and Accrued Interest Receivable	1,440
Loss on Worthless Stock Investment	11,846
Common Stock Issued for in Exchange for Rent	10,000
Common Stock Issued for in Exchange for Officer's Compensation	350,000
Changes in Assets and Liabilities:	
Other Current Assets	(30)
Accounts Payable	5,810
Accrued Interest Payable	100,000
Net Cash Flows from Operating Activities	313
Cash Flows from Investing Activities	—
Cash Flows from Financing Activities	
Bank Overdraft	(313)
Net Change in Cash and Cash Equivalents	—
Cash and Cash Equivalents - Beginning of Year	—
Cash and Cash Equivalents - End of Year	\$ —
Cash Paid During the Year for:	
Interest	\$ —
Income Taxes	\$ —
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Common Stock Issued - Increase to Note Receivable - Related Party	\$ 10,000

No assurance is provided on these financial statements.

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**Selected Information – Substantially All Disclosures Required by
Accepted Accounting Principles Generally Accepted in the United States Are Not Included.**

Note A - The Company

Kading Companies, S.A. (the Company) was incorporated under the International Business Companies Ordinance of the Territory of the British Virgin Islands on October 10, 1995.

Scope of Business

After transferring most of its assets to Kading Corporation in 2010, the Company changed its business focus to the mining of metals. In June 2015, the Company acquired 70% of SCG-Ukraine, an iron ore/cement company. The Company continues to seek capital to fund additional acquisitions of assets in natural resource opportunities and has identified several opportunities in mining and metals on a global basis; geographically ranging from the Ukraine, South America, Kazakhstan, Canada and the USA. The focus is to mine precious metals, such as gold and silver. The Company is seeking \$400 million in capital to develop mining concessions on a global level. The Company has not consolidated SCG in the attached financials. See departure from Accounting Principles Generally Accepted in the United States included in the accountants report.

Note B - Summary of Significant Accounting Policies

Method of Accounting

The Company's financial statements have been prepared and presented in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The Company maintains cash and cash equivalents at financial institutions, which periodically may exceed federally insured amounts.

Financial Instruments

The estimated fair values for financial instruments are determined at discrete points in time based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The carrying amounts of long-term investments, notes receivable, accounts payable, accrued liabilities, and notes payable approximate fair value given their short term nature or effective interest rates.

- continued -

See Accountant's Compilation Report

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**Selected Information – Substantially All Disclosures Required by
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Note B - Summary of Significant Accounting Policies – continued
Income Taxes

The Company is not subject to income taxes. The Company may qualify as a passive foreign investment company ("PFIC") under United States tax law. If it does, U.S. citizens and residents who are stockholders will be required to pay taxes and interest on deferred taxes when shares of the Company are sold by them, or when they receive distributions from the Company. This additional interest may be avoided if a stockholder makes an election to be taxed currently on the earnings of the Company (if the Company is a PFIC at any time). Stockholders should consult with their tax advisors regarding the consequences of being stockholders of a PFIC, and the impact of the election to currently tax earnings.

Earnings per Share

Earnings per share of common stock are computed in accordance with FASB ASC 260, "Earnings per Share". Basic earnings per share are computed by dividing income or loss available to common shareholders by the weighted-average number of common shares outstanding for each period. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding assuming conversion of all potentially dilutive stock options, warrants and convertible securities, if dilutive. Common stock equivalents that are anti-dilutive are excluded from both diluted weighted average number of common shares outstanding and diluted earnings (loss) per share.

Investments

The Company accounts for investments in debt and equity interests using the cost-method of accounting in compliance with FASB ASC 325. In applying ASC 325 the Company considers whether any events or changes in circumstances would be indicative of a significant adverse effect on the fair value of the investment. The Company also applies the guidance of FASB ASC 825 to further support its position of using the cost-method to account for investments in debt and equity securities.

Note C - Recently Issued Accounting Standards

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

Note D - Going Concern

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has reported recurring losses from operations. As a result, there is an accumulated deficit at August 31, 2017.

The Company's continued existence is dependent upon its ability to raise capital. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

See Accountant's Compilation Report