

NRP STONE, INC

Financial Statements

December 31, 2019 and 2018

CONTENTS

Balance Sheets	3
Statements of Operations.....	4
Statements of Stockholders' Equity (Deficit)	5
Statements of Cash Flows	7
Notes to the Financial Statements.....	8

NRP STONE, INCBalance Sheets
(unaudited)

	<u>ASSETS</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ -
Total Current Assets	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
LIABILITIES		
Accounts payable	\$ -	\$ 2,625
Accounts payable - related party	-	42,038
Notes payable - related party	364,686	114,715
Related-party advances	<u>84,061</u>	<u>84,061</u>
Total Current Liabilities	<u>448,747</u>	<u>243,439</u>
STOCKHOLDERS' EQUITY		
Common stock (Par \$0.001), 500,000,000 authorized, 168,618,479 and 166,118,479 issued and outstanding	168,618	166,118
Paid in capital in excess of par value	42,650	45,150
Retained deficit	<u>(660,015)</u>	<u>(454,707)</u>
Total Stockholders' Equity	<u>(448,747)</u>	<u>(243,439)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ -</u>	<u>\$ -</u>

The accompanying financials were not subject to an audit, review, or compilation.

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

NRP STONE, INC
Statements of Operations
(unaudited)

	For the year ended December 31, 2019	For the year ended December 31, 2018
INCOME	<u>\$ -</u>	<u>\$ -</u>
OPERATING EXPENSES		
Professional fees	<u>205,308</u>	<u>94,081</u>
OPERATING EXPENSES	<u>205,308</u>	<u>94,081</u>
NET INCOME (LOSS)	<u><u>\$ (205,308)</u></u>	<u><u>\$ (94,081)</u></u>

The accompanying financials were not subject to an audit, review, or compilation.
The accompanying notes are an integral part of these financial statements.

NRP STONE, INC
Statement of Stockholders' Equity (Deficit)
(unaudited)

	Common Stock		Paid in Capital in Excess of Par Value	Retained Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2018	166,118,479	\$ 166,118	\$ 45,150	\$ (454,707)	\$ (243,439)
Shares issued for services rendered	2,500,000	2,500	(2,500)	-	-
Net loss for the year ended December 31, 2019	-	-	-	(205,308)	(205,308)
Balance, December, 31 2019	<u>168,618,479</u>	<u>\$ 168,618</u>	<u>\$ 42,650</u>	<u>\$ (660,015)</u>	<u>\$ (448,747)</u>

The accompanying financials were not subject to an audit, review, or compilation.
The accompanying notes are an integral part of these financial statements.

NRP STONE, INC
Statement of Stockholders' Equity (Deficit)
(unaudited)

	Common Stock		Paid in Capital in Excess of Par Value	Retained Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2017	335,949,929	\$ 335,950	\$ (188,682)	\$ (360,626)	\$ (213,358)
Shares returned to treasury	(192,947,729)	(192,948)	192,948	-	-
Shares issued for convertible promissory note	23,116,279	23,116	40,884	-	64,000
Net loss for the year ended December 31, 2018	-	-	-	(94,081)	(94,081)
Balance, December 31, 2018	<u>166,118,479</u>	<u>\$ 166,118</u>	<u>\$ 45,150</u>	<u>\$ (454,707)</u>	<u>\$ (243,439)</u>

The accompanying financials were not subject to an audit, review, or compilation.
The accompanying notes are an integral part of these financial statements.

NRP STONE, INC
Statements of Cash Flows
(unaudited)

	For the year December 31, 2019	For the year December 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (205,308)	\$ (82,865)
Adjustments to reconcile net loss to net cash used in operating activities:		
Increase in accounts payable related party	207,933	81,892
Decrease in accounts payable	(2,625)	-
Net Cash Used in Operating Activities	<u>-</u>	<u>(973)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in advances	-	973
Net Cash Provided by Financing Activities	<u>-</u>	<u>973</u>
NET INCREASE (DECREASE) IN CASH	-	-
CASH AT BEGINNING OF PERIOD	<u>-</u>	<u>-</u>
CASH AT END OF PERIOD	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
SUPPLEMENTAL DISCLOSURES		
Cash Paid For:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
NON-CASH FINANCING ACTIVITIES		
Payables financed into promissory note	\$ 249,971	\$ 129,797
Convertible note exercised for common stock	\$ -	\$ 31,300

The accompanying financials were not subject to an audit, review, or compilation.
The accompanying notes are an integral part of these financial statements.

NRP Stone, Inc
Notes to the Financial Statements
December 31, 2019 and 2018

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

NRP Stone, Inc. ("the Company") was originally incorporated under the laws of the state of Colorado on June 21, 1983, under the name Leesburg Land & Mining, Inc. On March 11, 1998, the Company approved the change of its domicile from Colorado to Nevada. On January 8, 1999, the Company changed its name to Intelliquis International, Inc. On March 6, 2007, the Company changed its name to NRP Stone, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements which conform to U.S. generally accepted accounting principles. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements. The following policies are considered to be significant:

Basis of Accounting

The financial statements of the Company are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. The Company has elected a calendar year-end.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise encumbered. The carrying amount approximates the fair value because of the short maturities of those instruments.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Repairs and maintenance are expensed as incurred, whereas major improvements are capitalized. If donated, property and equipment are recorded at the approximate fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

NRP Stone, Inc
Notes to the Financial Statements
December 31, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amounts of the assets against the estimated undiscounted cash flows associated with these assets. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the assets' carrying value, the assets are adjusted to their fair value (based upon discounted cash flows). No impairment losses were recognized for the year ended December 31, 2019 and 2018, respectively.

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 revenues and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances in making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. While actual results could differ from those estimates, management believes that the estimates are reasonable.

Key estimates made in the accompanying financial statements include, among others, the economic useful lives and recovery of long-lived assets and contingencies.

Concentrations of Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Company has not experienced any losses in such accounts or lack of access to its cash, and believes it is not exposed to significant risk of loss with respect to cash. However, no assurance can be provided that access to the Company's cash will not be impacted by adverse economic conditions in the financial markets.

At December 31, 2019 and 2018, the Company had in its bank accounts no funds in excess of the \$250,000 per depository institution that is federally insured.

NRP Stone, Inc
Notes to the Financial Statements
December 31, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contingencies

Certain conditions may exist as of the date that these financial statements are issued which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities and such assessments inherently involves exercise of judgement. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability is accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee is disclosed.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued expenses and shareholder loans. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these financial statements.

Financial assets and liabilities recorded at fair value on the balance sheets are categorized based upon a fair value hierarchy established by GAAP, which prioritizes the inputs used to measure fair value into the following levels:

Level 1— Quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2— Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable and can be corroborated by observable market data.

Level 3— Inputs reflecting management's best estimates and assumptions of what market participants would use in pricing assets or liabilities at the measurement date. The inputs are unobservable in the market and significant to the valuation of the instruments.

Financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

NRP Stone, Inc
Notes to the Financial Statements
December 31, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires an entity to recognize the rights and obligations resulting from leases as lease assets and lease liabilities on the balance sheet, including leases previously recorded and classified as operating leases. Pursuant to this new guidance, a lessee should recognize in the balance sheet a liability to make lease payments (lease liability) and a right-of-use assets (lease asset) representing its right to use the underlying asset for the lease term, initially measured at the present value of NRPI the lease payments. This new standard is effective for the Company for the year ended December 31, 2020, with early application permitted, using a modified retrospective approach. The Company is currently evaluating the impact of the pending adoption of ASU 2016-02 on its financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) did not or are not believed to have a material impact on the Company's present or future financial statements.

NOTE 3 - RELATED PARTY TRANSACTIONS

The related-party advances and convertible promissory notes – related party are to a stockholder, David Clark. The advances are non-interest bearing and considered due on demand. The accounts payable – related party account is made up of payables to two companies, Heartland Enterprises, LLC and DMC & Associates, both of which are owned by a stockholder, David Clark.

As of December 31, 2017, the Company had a payable balance of \$10,700 and a convertible note payable balance of \$129,297 to David Clark. During 2018 an additional \$91,456 of expenses were incurred and \$80,718 was forgiven in exchange for a convertible note payable in the amount of \$80,718. During the year ended December 31, 2018 a portion of the convertible notes payable in the amount of \$31,300 and \$64,000 was converted for 313,000,000 and 8,000,000 common shares, respectively. This resulted in an ending balance in accounts payable – related party of \$-0- and an ending balance in convertible promissory notes – related party of \$136,152.

During the three months ended March 31, 2019 an additional \$51,600 of expenses were incurred and forgiven in exchange for a convertible note payable in the amount of \$51,600. This resulted in an ending balance in accounts payable – related party of \$-0- and in convertible promissory notes – related party of \$187,753.

During the three months ended June 30, 2019 an additional \$19,912 of expenses were incurred and \$3,325 of payables were paid by this related party. These payables were forgiven in exchange for a convertible note payable in the about of \$23,237. This resulted in an ending balance in accounts payable – related party of \$-0- and in convertible promissory notes – related party of \$210,990.

NRP Stone, Inc
Notes to the Financial Statements
December 31, 2019 and 2018

NOTE 3 - RELATED PARTY TRANSACTIONS (Continued)

During the three months ended September 30, 2019 an additional \$67,287 of expenses were incurred by this related party. These payables were forgiven in exchange for a note payable in the about of \$67,287. An amendment to each of the previous notes was also issued all the previously issued convertible notes with a combined principal balance of \$210,990, which amended the maturity date to December 31, 2020 and removed the convertible feature of the note. This resulted in an ending balance in accounts payable – related party of \$-0- and in convertible promissory notes – related party of \$-0-, and in notes payable – related party of \$278,227.

During the three months ended December 31, 2019 an additional \$86,409 of expenses were incurred by this related party. These payables were forgiven in exchange for a note payable in the about of \$86,409. This resulted in an ending balance in accounts payable – related party of \$-0- and in convertible promissory notes – related party of \$-0-, and in notes payable – related party of \$364,686.

NOTE 4 - STOCKHOLDERS' EQUITY

In addition to the equity transactions described above in Note 3 above, during the year ended December 31, 2019 the Company issued 2,500,000 to a vendor in exchange for legal services.

NOTE 5 - LIQUIDITY AND GOING CONCERN

The Company has incurred losses since inception and has not yet received any revenues from sales of products or services. These factors create substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustment that might be necessary if the Company is unable to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the Company generating cash from the sale of its common stock and/or obtaining debt financing and attaining future profitable operations. Management's plans include selling its equity securities and obtaining debt financing to fund its capital requirement and ongoing operations; however, there can be no assurance the Company will be successful in these efforts.

NOTE 6 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through February 28, 2020, the date which the financial statements were available to be issued, and noted no material subsequent events that would require adjustment in or disclosure to these financial statements as of December 31, 2019 except as listed below:

NRP Stone, Inc
Notes to the Financial Statements
December 31, 2019 and 2018

NOTE 6 - SUBSEQUENT EVENTS (Continued)

Effective February 14, 2020, the Company entered into a share exchange agreement with another corporation. The Company received 100% of the issued and outstanding common stock of the other corporation in exchange for 51,000,000 restricted shares of NRPI common stock, par value \$0.001. After the execution of this agreement the other corporation became a wholly owned subsidiary of the Company.