

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
JUNE 30, 2016 AND 2015**

## TABLE OF CONTENTS

---

### **Consolidated Financial Statements:**

Consolidated Balance Sheets	1-2
Consolidated Statements of Operations and Comprehensive Loss	3
Consolidated Statements of Cash Flows	4
<b>Notes to the Financial Statements</b>	<b>5-13</b>

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2016 AND 2015**

	2016	2015
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 22,727	\$ 8,028
Restricted Cash - Surety Bond	-	12,885
Investments in Marketable Securities	472	1,000
<b>Total Current Assets</b>	<b>23,199</b>	<b>21,913</b>
<b>Property and Equipment</b>		
Land	30,000	-
Building	120,000	-
Building Improvements	6,500	
Machinery and Equipment	62,522	59,922
Furniture and Fixtures	4,950	-
<b>Total Property and Equipment</b>	<b>223,972</b>	<b>59,922</b>
Less: Accumulated Depreciation	31,539	18,735
<b>Net Property and Equipment</b>	<b>192,433</b>	<b>41,187</b>
<b>Other Assets</b>		
Goodwill	365,014	365,014
Mineral Property Rights	5,956,000	5,956,000
<b>Total Other Assets</b>	<b>6,321,014</b>	<b>6,321,014</b>
<b>Total Assets</b>	<b>\$ 6,536,646</b>	<b>\$ 6,384,114</b>

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2016 AND 2015**

	2016	2015
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accrued Expenses	\$ 306	\$ 1,347
Other Loans Payable	4,562	203,150
Convertible Notes Payable	96,841	130,173
<b>Total Current Liabilities</b>	<b>101,709</b>	<b>334,670</b>
<b>Total Liabilities</b>	<b>101,709</b>	<b>334,670</b>
<b>Stockholders' Equity</b>		
Common Stock (\$0.0001 Par Value; 250,000,000 Shares Authorized; 133,629,500, and 125,989,800 Shares Issued and Outstanding as of June 30, 2016, and 2015, Respectively)	13,362	12,598
Additional Paid-In Capital	12,019,040	11,526,000
Accumulated Deficit	(5,549,516)	(5,441,733)
Unrealized Loss on Investments	(47,949)	(47,421)
<b>Total Stockholders' Equity</b>	<b>6,434,937</b>	<b>6,049,444</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 6,536,646</b>	<b>\$ 6,384,114</b>

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
Revenue	\$ -	\$ -
Cost of Revenue	9,526	7,511
<b>Gross Margin</b>	<b>(9,526)</b>	<b>(7,511)</b>
<b>Operating Expenses</b>		
Mining and Exploration Costs	7,759	50,000
Professional Fees	10,130	5,000
Research and Development	2,040	-
Repairs and Maintenance	10,732	858
General and Administrative	47,464	73,025
Depreciation	5,859	1,251
<b>Total Operating Expenses</b>	<b>83,984</b>	<b>130,134</b>
<b>Loss from Operations</b>	<b>(93,510)</b>	<b>(137,645)</b>
<b>Other Income (Expenses)</b>		
Consulting Income	8,012	9,990
Other Income	1,500	600
Loss on Note Conversions	(29,092)	-
Interest Expense	(231)	(288)
<b>Total Other Income (Expenses)</b>	<b>(19,811)</b>	<b>10,302</b>
<b>Loss Before Provision for Income Taxes and Net Loss</b>	<b>(113,321)</b>	<b>(127,343)</b>
Provision for Income Taxes	-	-
<b>Net Loss</b>	<b>(113,321)</b>	<b>(127,343)</b>
<b>Other Comprehensive Loss</b>		
Unrealized Loss on Investments Available for Sale	(168)	(360)
<b>Total Other Comprehensive Loss</b>	<b>(168)</b>	<b>(360)</b>
<b>Comprehensive Loss</b>	<b>\$ (113,489)</b>	<b>\$ (127,703)</b>

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
Cash Flows From Operating Activities		
Net Loss	\$ (113,321)	\$ (127,343)
Adjustments to Reconcile Net (Loss) Income to Net Cash Used in Operating Activities:		
Depreciation	5,859	1,251
Shares of Common Stock Issued for Services Rendered	11,190	50,000
Loss on Conversion of Debt	29,092	-
Cash Acquired in Acquisition of Simple Recovery, Inc.	-	2,701
Changes in Assets and Liabilities:		
Deposits	5,000	6,020
Accrued Expenses	231	288
<b>Net Cash Used in Operating Activities</b>	<b>(61,949)</b>	<b>(67,083)</b>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	-	(32,954)
<b>Net Cash Used by Investing Activities</b>	<b>-</b>	<b>(32,954)</b>
Cash Flows From Financing Activities		
Proceeds From Convertible Debt	61,104	102,526
Increase (Decrease) in Other Loan Payable	862	(50)
<b>Net Cash Provided by Financing Activities</b>	<b>61,966</b>	<b>102,476</b>
<b>Net Increase in Cash</b>	<b>17</b>	<b>2,439</b>
Cash - Beginning of Period	22,710	5,589
<b>Cash - End of Period</b>	<b>\$ 22,727</b>	<b>\$ 8,028</b>
<b>Supplemental Disclosures:</b>		
Cash Paid for Interest Expense	\$ -	\$ -
Cash Paid for Income Taxes	-	-
<b>Summary of Noncash Activities:</b>		
Property and Equipment Acquired With Common Stock	\$ 164,050	\$ -
Common Stock Issued for Services	11,190	50,000
Common Stock Issued to Retire Debt	130,173	-
Common Stock Issued to Pay Accrued Interest on Debt	3,299	-
<b>Assets and Liabilities Acquired in Acquisition of Simple Recovery, Inc.</b>		
Cash	\$ -	\$ 2,701
Property and Equipment, net	-	9,485
Goodwill	-	365,014
Mining Properties	-	6,000
Loan Payable	-	203,200

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

**NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS**

Organization

Pershing Resources, formerly named Xenolix Technologies, Inc. (the “Company”) was incorporated under the laws of the State of Nevada on August 26, 1996. The Company is a gold and precious metals exploration company pursuing exploration and development opportunities primarily in Nevada. None of the Company’s properties contain proven and probable reserves, and all of the Company’s activities on all of its properties are exploratory in nature.

On May 14, 2015, the Company acquired its wholly owned subsidiary, Simple Recovery, Inc. (“Simple Recovery”), through the issuance of 2 million shares of the Company’s common stock.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in conformity with U.S generally accepted accounting principles (“GAAP”) and the rules and regulations of the United States Securities and Exchange Commission (“SEC”). It is Management's opinion, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The results of operations for the six months ended June 30, 2016 and 2015 are not necessarily indicative of the results to be expected for the full year.

In the preparation of the consolidated financial statements of the Company, intercompany transactions and balances have been eliminated. The Company applies the guidance of Topic 810 “Consolidation” of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) to determine whether and how to consolidate another entity. Pursuant to ASC 810-10-15-10 all majority-owned subsidiaries—all entities in which a parent has a controlling financial interest—shall be consolidated except when control does not rest with the parent. Pursuant to ASC 810-10-15-8, the usual condition for a controlling financial interest is ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, of more than 50 percent of the outstanding voting shares of another entity is a condition pointing toward consolidation. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders, or by court decree.

Use of Estimates and Assumptions

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated balance sheet, and revenues and expenses for the period then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, the useful life of property and equipment, the valuation of deferred tax assets and liabilities, including valuation allowance, amounts and timing of closure obligations, the assumptions used to calculate fair value of stock-based compensation, capitalized mineral rights, asset valuations, and the fair value of common stock issued.

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with a high credit quality financial institution. The Company's accounts at this institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. To reduce its risk associated with bank balances exceeding the FDIC insurance limit on interest bearing accounts, the Company evaluates at least annually the rating of the financial institution in which it holds deposits. The Company held no cash equivalents at June 30, 2016 and 2015, respectively.

Fair Value of Financial Instruments

The Company adopted Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing generally accepted accounting principles that requires the use of fair value measurements, establishes a framework for measuring fair value and expands disclosure about such fair value measurements. The adoption of ASC 820 did not have an impact on the Company's financial position or operating results, but did expand certain disclosures.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

These inputs are prioritized below:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The Company analyzes all financial instruments with features of both liabilities and equity under the Financial Accounting Standard Board's ("FASB") accounting standard for such instruments. Under this standard, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, prepaid expenses, accounts payable and accrued expenses approximate their estimated fair market values based on the short-term maturity of these instruments. The carrying amount of the note payable at June 30, 2016 approximates its respective fair value based on the Company's incremental borrowing rate.

The Company's investment in marketable securities is held for an indefinite period and thus is classified as available for sale. Unrealized holding losses on such securities, which were added to stockholders' equity during 2016 and 2015, amounted to \$168 and \$360.

The Company's security investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at fair value on the balance sheets in current assets, with the change in fair value during the period included in earnings.

*No assurance is provided with these financial statements.*



**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property and Equipment

Property and equipment are carried at cost. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. When assets are retired, or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income in the year of disposition. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, generally one to thirty-nine years. For the six months ended June 30, 2016 and 2015, depreciation expense was \$5,859 and \$1,251, respectively.

Mineral Property Acquisition and Exploration Costs

Costs of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company expenses all mineral exploration costs as incurred as it is still in the exploration stage. If the Company identifies proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established.

When a property reaches the production stage, the related capitalized costs are amortized using the units-of-production method over the estimated life of the proven and probable reserves. If in the future the Company has capitalized mineral properties, these properties will be periodically assessed for impairment.

To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed.

ASC 930-805, "Extractive Activities-Mining: Business Combinations" ("ASC 930-805"), states that mineral rights consist of the legal right to explore, extract, and retain at least a portion of the benefits from mineral deposits. Mining assets include mineral rights. Acquired mineral rights are considered tangible assets under ASC 930-805. ASC 930-805 requires that mineral rights be recognized at fair value as of the acquisition date. As a result, the direct costs to acquire mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with acquiring patented and unpatented mining claims.

ASC 930-805-30-1 and 30-2 provides that in fair valuing mineral assets, an acquirer should take into account both:

- The value beyond proven and probable reserves ("VBPP") to the extent that a market participant would include VBPP in determining the fair value of the assets.
- The effects of anticipated fluctuations in the future market price of minerals in a manner that is consistent with the expectations of market participants.

Impairment of Long-Lived Assets

The Company accounts for the impairment or disposal of long-lived assets according to the ASC 360, "Property, Plant and Equipment". The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of long-lived assets, including mineral rights, may not be recoverable. Long-lived assets in the exploration stage are monitored for impairment based on factors such as the Company's continued right to explore the area, exploration reports, assays, technical reports, drill results and the Company's continued plans to fund exploration programs on the property, and whether sufficient work has been performed to indicate that the carrying amount of the mineral property cost carried forward as an asset will not be fully recovered. The tests for long-lived assets in the exploration stage are monitored for impairment based on factors such as current market value of the long-lived assets and results of exploration, future asset utilization, business climate, mineral prices and future undiscounted cash flows expected to result from the use of the related assets.

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Impairment of Long-Lived Assets. (Continued)

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated future net undiscounted cash flows expected to be generated by the asset. When necessary, impaired assets are written down to estimated fair value based on the best information available. Estimated fair value is generally based on either appraised value or measured by discounting estimated future cash flows. Considerable management judgment is necessary to estimate discounted future cash flows. Accordingly, actual results could vary significantly from such estimates. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The Company did not record any impairment of its long-lived assets at June 30, 2016 and 2015, respectively.

Asset Retirement Obligations

Asset retirement obligations ("ARO"), consisting primarily of estimated mine reclamation and closure costs are recognized in the period incurred and when a reasonable estimate can be made, and recorded as liabilities at fair value. Such obligations, which are initially estimated based on discounted cash flow estimates, are accreted to full value over time through charges to accretion expense. Corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's remaining useful life. Asset retirement obligations are periodically adjusted to reflect changes in the estimated present value resulting from revisions to the estimated timing or amount of reclamation and closure costs. The Company reviews and evaluates its asset retirement obligations annually or more frequently at interim periods if deemed necessary.

Income Taxes

The Company accounts for income taxes pursuant to the provision of ASC 740-10, "Accounting for Income Taxes" ("ASC 740-10"), which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred asset will not be realized.

The Company follows the provision of ASC 740-10 related to Accounting for Uncertain Income Tax Positions. When tax returns are filed, there may be uncertainty about the merits of positions taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions.

Tax positions that meet the more likely than not recognition threshold are measured at the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefit associated with tax positions taken that exceed the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all more likely than not to be upheld upon examination. As such, the Company has not recorded a liability for uncertain tax benefits.

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes, (Continued)

The Company has adopted ASC 740-10-25, "Definition of Settlement", which provides guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits and provides that a tax position can be effectively settled upon the completion and examination by a taxing authority without being legally extinguished. For tax positions considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely than not to be sustained based solely on the basis of its technical merits and the statute of limitations remains open. The federal and state income tax returns of the Company are subject to examination by the IRS and state taxing authorities, generally for three years after they are filed.

Equity Based Payments to Non-Employees

Pursuant to ASC Topic 505-50, "Equity Based Payments to Non-Employees", for share-based payments to consultants and other third-parties, compensation expense is determined at the measurement date. Accordingly, the Company records compensation expense based on the fair value of the services rendered on the reporting date.

Related Party Transaction

Parties are considered to be related to the Company if the parties directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal stockholders of the Company, its management, members of the immediate families of principal stockholders of the Company and its management and other parties with which the Company may deal where one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions. All transactions shall be recorded at fair value of the goods or services exchanged. Property purchased from a related party is recorded at the cost to the related party and any payment to or on behalf of the related party in excess of the cost is reflected as compensation or distribution to related parties depending on the transaction.

Recent Accounting Pronouncements

In August 2014, FASB issued Accounting Standards Update ("ASU") No. 2014-15, "Presentation of Financial Statements—Going Concern" ("ASU No. 2014-15"). The provisions of ASU No. 2014-15 require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this ASU are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently assessing the impact of this ASU on the Company's consolidated financial statements.

In November 2014, FASB issued ASU No. 2014-17, "Business Combinations: Pushdown Accounting" ("ASU No. 2014-17"). This ASU amended the Business Combination Accounting Standards Codification to provide guidance on whether and at what threshold an acquired entity that is a business or nonprofit activity can apply pushdown accounting in its separate financial statements. The Company's adoption of ASU No. 2014-17 effective November 14, 2014 did not have an impact on the Company's consolidated results of operations, financial position and related disclosures.

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Recent Accounting Pronouncements, (Continued)

In April 2015, FASB issued ASU 2015-03, "Interest – Imputation of Interest" (Subtopic 835-30) which focuses on simplifying the presentation of debt issuance costs. The amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The ASU will be effective for periods beginning after December 15, 2015 for public companies. Early adoption is permitted, including adoption in an interim period. The Company is currently assessing the impact of this ASU on the Company's consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17, "Balance Sheet Classification of Deferred Taxes" ("ASU 2015-17"), which requires entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet. The ASU simplifies the current guidance in ASC Topic 740, "Income Taxes", which requires entities to separately present deferred tax assets and liabilities as current and noncurrent in a classified balance sheet. ASU 2015-17 is effective for fiscal years beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted for all entities as of the beginning of an interim or annual reporting period. The Company does not expect the impact of ASU 2015-17 to be material on the Company's consolidated financial statements.

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. The new guidance will be effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period and is applied retrospectively. Early adoption is permitted. The Company is currently in the process of assessing the impact the adoption of this guidance will have on the Company's consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-09, "*Compensation - Stock Compensation (Topic 718)*". The amendments in ASU No. 2016-09 were issued as part of the FASB's simplification initiative focused on improving areas of GAAP for which cost and complexity may be reduced while maintaining or improving the usefulness of information disclosed within the financial statements. The amendments focused on simplification specifically with regard to share-based payment transactions, including income tax consequences, classification of awards as equity or liabilities and classification on the statement of cash flows. The guidance in ASU No. 2016-09 is effective for fiscal years beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted. The Company will evaluate the effect of ASU 2016-09 for future periods as applicable.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

**NOTE 3 — MINERAL PROPERTIES**

The Company's mineral properties consists of a 40% interest in 107 mining leases and mining claims located in Pershing County, Nevada. The 40% interest in the properties was acquired in March 2014 for consideration of 35 million shares of the Company's common stock for a total value of \$5,950,000.

In 2004 Simple Recovery acquired 8 Bureau of Land Management claims located in Mohave County at a cost of \$4,800. In 2010 it acquired another 2 Bureau of Land Management claims in Mohave County at a cost of \$1,200.

In 2013 Simple Recovery assigned 8 claims known as "New Enterprise" to Bridge Metal Processing, LLC for which the Company will be paid a 10% royalty on all revenue attained from the claims. To date no revenue has been generated. For the six months ended June 30, 2016 and 2015 the Company received \$1,500 and \$600, respectively, to extend the agreement beyond the original term dates. As of June 30, 2016 and 2015, based on management's review of the carrying value of mineral rights, management determined that there is no evidence that the cost of these acquired mineral rights will not be fully recovered and accordingly, the Company has determined that no adjustment to the carrying value of mineral rights was required. As of the date of these consolidated financial statements, the Company has not established any proven or probable reserves on its mineral properties and has incurred only acquisition and exploration costs.

The Company posted a statewide surface management surety bond with the United States Department of the Interior Bureau of Land Management ("BLM") as required by the State of Nevada in the amount of \$12,885 as of April 30, 2010, to reclaim land disturbed in its exploration and mining operations. The surface management surety bond was provided by then CEO Daniel Wright in exchange for a convertible note issued to him. 920,357 shares of common stock were issued to him in lieu of cash. The conversion price was \$.014. In September of 2015 the Company requested a refund of the collateral deposit from BLM. The surety bond was refunded to the Company on December 31, 2015. The funds deposited in the collateral account were classified as restricted cash on the Company's balance sheet prior to being refunded.

**NOTE 4 – OTHER LOANS PAYABLE**

Other loans payable represents net advances received of \$4,562 and \$203,150, respectively as of June 30, 2016 and 2015 that are non-interest bearing and due on demand. \$199,500 of the June 30, 2015 loans was converted into 400,000 shares of the Company's common stock in September of 2015. A gain on note conversion of \$186,500 was recorded as part of the conversion.

**NOTE 5 — CONVERTIBLE NOTES PAYABLE**

Convertible notes payable represents advances that bear interest at 3% and are due on demand. The notes are secured by and convertible into shares of the Company's common stock.

The balance due as of June 30, 2016 and 2015 was \$96,841 and \$130,173, respectively. For the six months ended June 30, 2016 \$130,173 of notes plus accrued interest of \$3,299 were converted into 4,644,688 shares of the Company's common stock resulting in a net loss on conversion of \$29,092. There were no note conversions for the six months ended June 30, 2015.

Interest expense incurred from these loans for the six months ended June 30, 2016 and 2015 was \$231 and \$288, respectively.

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

**NOTE 6 — STOCKHOLDERS' EQUITY**

The Company is authorized to issue 250,000,000 shares of \$0.0001 par value common stock.

**June 30, 2015**

On May 14, 2015, the Company acquired its wholly owned subsidiary, Simple Recovery, through the issuance of 2 million shares of the Company's common stock.

The Company issued 100,000 shares of common stock in consideration of professional services valued at \$50,000.

**June 30, 2016**

\$130,173 of convertible notes plus accrued interest of \$3,299 were converted into 4,644,688 shares of the Company's common stock resulting in a net loss on conversion of \$29,092.

The Company issued 695,000 shares of common stock in consideration of professional services valued at \$11,190 and to purchase property and equipment valued at \$14,050.

The Company issued 2 million shares of common stock for the purchase of land and a building valued at \$150,000.

**NOTE 7 — NET INCOME (LOSS) PER COMMON SHARE**

Net income or loss per common share is calculated in accordance with ASC Topic 260, "Earnings Per Share". Basic income or loss per share is computed by dividing net income or loss available to common stockholder, adjusted for preferred dividends, by the weighted average number of shares of Common Stock outstanding during the period. The computation of diluted net loss per share does not include anti-dilutive Common Stock equivalents in the weighted average shares outstanding. The following table sets forth the computation of basic and diluted loss per share:

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Net loss available to common stockholders	\$ (113,321)	\$ (127,343)
Denominator for basic and diluted loss per share (weighted-average shares)	136,318,058	123,905,767
<b>Net loss per common share, basic and diluted</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

*No assurance is provided with these financial statements.*

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

**NOTE 8 — INCOME TAXES**

The Company accounts for income taxes under ASC Topic 740: Income Taxes which requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and the tax basis of assets and liabilities, and for the expected future tax benefit to be derived from tax losses and tax credit carryforwards. ASC Topic 740 additionally requires the establishment of a valuation allowance to reflect the likelihood of realization of deferred tax assets.

The provision (benefit) for income taxes for the six months ended June 30, 2016 and 2015 differs from the amount which would be expected as a result of applying the statutory tax rates to the losses before income taxes due primarily to the valuation allowance to fully reserve net deferred tax assets.

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carry-forwards are expected to be available to reduce taxable income. As the achievement of required future taxable income is uncertain, the Company recorded a valuation allowance.

	<b>As of June 30, 2016</b>	<b>As of June 30, 2015</b>
Deferred tax assets:		
Net operating loss before non-deductible items	\$ (5,549,516)	\$ (5,441,733)
Tax rate	34%	34%
Total deferred tax assets	1,886,835	1,850,189
Less: Valuation allowance	(1,886,835)	(1,850,189)
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

The Company has a net operating loss carryforward for tax purposes totaling approximately \$5.5 million at June 30, 2016, expiring through the year 2036. Internal Revenue Code Section 382 places a limitation on the amount of taxable income that can be offset by carryforwards after certain ownership shifts.

**NOTE 9 — SUBSEQUENT EVENTS**

\$199,500 of the June 30, 2015 loans was converted into 400,000 shares of the Company's common stock in September of 2015. A gain on note conversion of \$186,500 was recorded as part of the conversion. The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were available to be issued and has determined that, except for the item above, there were no events that would have a material impact on the financial statements except from those events previously disclosed in the notes the financial statement.

*No assurance is provided with these financial statements.*