PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
JUNE 30, 2019
AND
JUNE 30, 2018 (AS RESTATED)

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PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2019 AND 2018

		2019		As Restated 2018
ASSETS				
Current Assets				
Cash	$	9,216	$	90,658
Investments in Marketable Securities		58		171
Total Current Assets		**9,274**		**90,829**
Property and Equipment				
Land		15,000		15,000
Building		65,000		65,000
Building Improvements		7,500		7,500
Machinery and Equipment		47,046		47,046
Furniture and Fixtures		4,950		4,950
Total Property and Equipment		**139,496**		**139,496**
Less: Accumulated Depreciation		52,915		44,689
Net Property and Equipment		**86,581**		**94,807**
Other Assets				
Goodwill		177,514		177,514
Mineral Property Rights		81,000		81,000
BLM Bond		4,060		-
Total Other Assets		**262,574**		**258,514**
Total Assets	**$**	**358,429**	**$**	**444,150**

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2019 AND 2018

		2019		As Restated 2018
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable and Accrued Expenses	$	114,199	$	61,518
Loans Payable, Related Party		22,915		22,915
Convertible Notes Payable, Net of Debt Discounts		-		32,890
Total Current Liabilities		**137,114**		**117,323**
Total Liabilities		**137,114**		**117,323**
Stockholders' Equity				
Common Stock ($0.0001 Par Value; 500,000,000 Shares Authorized; 230,938,119 and 192,758,150 Shares Issued and Outstanding as of June 30, 2019 and 2018, Respectively)		23,094		19,276
Additional Paid-In Capital		12,926,608		12,506,648
Accumulated Deficit		(12,695,024)		(12,150,847)
Unrealized Loss on Investments		(48,363)		(48,250)
Common Stock to be Issued		15,000		-
Total Stockholders' Equity		**221,315**		**326,827**
Total Liabilities and Stockholders' Equity	**$**	**358,429**	**$**	**444,150**

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, 2019 AND 2018

		2019		As Restated 2018
Revenue	$	-	$	-
Operating Expenses				
Mining and Exploration Costs		66,213		9,404
Professional Fees		104,653		344,791
Research and Development		26,928		12,977
SEC Administrative Costs		15,125		6,330
General and Administrative		39,141		134,732
Depreciation		4,936		3,351
Total Operating Expenses		**256,996**		**511,585**
Loss from Operations		**(256,996)**		**(511,585)**
Other Income (Expenses)				
Other Income		200		2,068
Interest Expense		(2,613)		(202,963)
Total Other Expenses		**(2,413)**		**(200,895)**
Loss Before Provision for Income Taxes		**(259,409)**		**(712,480)**
Provision for Income Taxes		-		-
Net Loss		**(259,409)**		**(712,480)**
Other Comprehensive Loss				
Unrealized Loss on Investments Available for Sale		(45)		(125)
Total Other Comprehensive Loss		**(45)**		**(125)**
Comprehensive Loss	**$**	**(259,454)**	**$**	**(712,605)**

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

	Common Stock $0.0001 Par Value Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Unrealized Loss on Investments Available for Sale	Common Stock to be Issued	Total Stockholders' Equity
Balance, January 1, 2018, as restated	146,607,980	$ 14,661	$ 11,694,115	$ (11,438,367)	$ (48,125)	$ -	$ 222,284
Common Stock issued for Services	14,270,000	1,427	283,973	-	-	-	285,400
Issuance of Common Stock to Retire Convertible Notes Plus Accrued Interest	20,880,170	2,088	219,358	-	-	-	221,446
Debt Discounts	-	-	200,302	-	-	-	200,302
Stock Subscribed @.01	11,000,000	1,100	108,900	-	-	-	110,000
Unrealized Loss on Investments Available for Sale	-	-	-	-	(125)	-	(125)
Net Loss for Six Months Ended June 30, 2018	-	-	-	(712,480)	-	-	(712,480)
Balance, June 30, 2018, as restated	**192,758,150**	**19,276**	**12,506,648**	**(12,150,847)**	**(48,250)**	**-**	**326,827**
Balance, January 1, 2019	223,558,150	$ 22,356	$ 12,812,568	$ (12,435,615)	$ (48,318)	$ -	$ 350,991
Common Stock Issued for Services	5,734,989	573	78,701	-	-	-	79,275
Issuance of Common Stock to Retire Convertible Notes Plus Accrued Interest	1,644,980	164	33,770	-	-	-	33,934
Debt Discounts	-	-	1,569	-	-	-	1,569
Unrealized Gain on Investments Available for Sale	-	-	-	-	(45)	-	(45)
Proceeds from 1.2 Million Shares of Common Stock to be Issued	-	-	-	-	-	15,000	15,000
Net Loss for Six Months Ended June 30, 2019	-	-	-	(259,409)	-	-	(259,409)
Balance, June 30, 2019	**230,938,119**	**$ 23,094**	**$ 12,926,608**	**$ (12,695,024)**	**$ (48,363)**	**$ 15,000**	**$ 221,315**

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, 2019 AND 2018

		2019		As Restated 2018
Cash Flows from Operating Activities				
Net Loss	$	(259,409)	$	(712,480)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:				
Depreciation		4,936		3,351
Shares of Common Stock Issued for Services Rendered		79,275		285,400
Amortization of Debt Discount Interest Expense		2,613		200,302
Shares Issued for Retire of Debts		-		202,963
Changes in Assets and Liabilities:				
Prepaid Expense		-		(4,060)
Accounts Payable and Accrued Expenses		61,996		(3,715)
Net Cash Used in Operating Activities		**(110,589)**		**(28,239)**
Cash Flows from Financing Activities				
Proceeds for Common Stock to be Issued		15,000		-
Proceeds from Issuance of Common Stock		-		110,000
Proceeds from Convertible Debt		-		-
Increase in Loans Payable, Related Party		-		3,325
Net Cash Provided by Financing Activities		**15,000**		**113,325**
Net (Decrease) Increase in Cash		**(95,589)**		**85,086**
Cash - Beginning of Period		104,805		5,572
Cash - End of Period	**$**	**9,216**	**$**	**90,658**
Supplemental Disclosures:				
Cash Paid for Interest	$	-	$	-
Cash Paid for Income Taxes	$	-	$	-
Summary of Noncash Activities:				
Common Stock Issued for Services	$	79,275	$	285,400
Promissory Notes Converted to Common Stock	$	33,934	$	221,446

No assurance is provided with these financial statements.

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.

Going Concern

These consolidated financial statements of the Company have been prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable period of time. The Company has incurred a net loss of $259,409 and $712,480 for the six months ended June 30, 2019 and 2018, respectively, has incurred a total accumulated deficit of 12,695,024 as of June 30, 2019 since its inception and requires capital for its contemplated business and exploration activities to take place. The Company plans to raise additional capital to carry out its business plan. The Company's ability to raise additional capital through future equity and debt securities issuances is unknown. Obtaining additional financing, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to profitable operations are necessary for the Company to continue business. The ability to successfully resolve these factors raises substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of the uncertainties.

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.

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.

All adjustments (consisting of normal recurring items) necessary to present fairly the Company's financial position as of June 30, 2019 and 2018, and the results of operations and cash flows for the six months ended June 30, 2019 and 2018 have been included. The results of operations for the six months ended June 30, 2019 and 2018 are not necessarily indicative of the results to be expected for the full year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Reclassification

The Company has reclassified certain amounts in the 2018 consolidated financial statements to comply with the 2019 presentation.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of nine 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 on June 30, 2019 and 2018.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, prepaid expenses, investments in marketable securities, accounts payable and accrued expenses approximate their estimated fair market values based on the short-term maturity of these instruments. The carrying amounts of the loans and note payable at June 30, 2019 and 2018 approximate their respective fair values 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 gains and losses on such securities, which were added to stockholders' equity during 2019 and 2018 amounted to a loss of $45 and $125, respectively.

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, 2019 and 2018, depreciation expense was $4,936 and $3,351 respectively.

Goodwill

Goodwill is not amortized but tested annually for impairment or whenever events or changes in circumstances would make it more likely than not that an impairment may have occurred. If the carrying value of goodwill exceeds its fair value, an impairment loss will be recognized.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 June 30, 2019 and 2018.

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.

To date the Company's activity has been primarily exploratory in nature and the obligating events that would trigger the accrual of an asset retirement obligation have not occurred.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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.

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.

Research and Development Costs

Research and development costs are expensed as incurred. These costs include professional fees and other costs related to development.

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 Transactions

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 June 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) ASU 2018-07, Compensation – Stock Compensation (Topic 718), Improvements to Nonemployee Share-Based Payment Accounting. This ASU is intended to simplify aspects of share-based compensation issued to non-employees by making the guidance consistent with accounting for employee share-based compensation. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year. Early adoption is permitted. The Company is currently in the process of evaluating the impact of this guidance on its financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." The objective of this update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020 and is to be applied utilizing a modified retrospective approach. The Company is currently evaluating this guidance to determine the impact it may have on its financial statements.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." The main objective of this update is to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The new guidance addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Company is currently evaluating this guidance to determine the impact it may have on its financial statements.

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 2004 for consideration of 35 million shares of the Company's Common Stock for a total value of $5,250,000.

In 2015 the Company recorded an impairment of $5,175,000 which resulted in an adjusted value of $75,000.

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.

As of June 30, 2019 and 2018, 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.

NOTE 4 – LOANS PAYBLE, RELATED PARTIES

Other loans payable represents net advances received of $22,915 as of June 30, 2019 and 2018 that are non-interest bearing and due on demand.

NOTE 5 — CONVERTIBLE NOTES PAYABLE, NET OF DEBT DISCOUNT

Convertible notes payable represents advances that bear interest at 3% and are due on demand, and 8% interest due on various dates. The notes are secured by and convertible into shares of the Company's Common Stock.

The balance due, net of discounts, as of June 30, 2019 and 2018 was $0 and $32,890, respectively. For the six months ended June 30, 2018, $221,446 of notes including accrued interest of $4,145 were converted into 20,880,170 shares of the Company's Common Stock. For the six months ended June 30, 2019, $33,934 of notes including accrued interest $1,569 were converted into 1,644,980 shares of the Company's Common Stock.

NOTE 5 — CONVERTIBLE NOTES PAYABLE, NET OF DEBT DISCOUNT (CONTINUED)

In connection with the above convertible notes the Company determined that a beneficial conversion feature existed on the date the notes were issued. The beneficial conversion feature related to the notes was valued as the difference between the effective conversion price (computed by dividing the relative fair value allocated to the convertible note by the number of shares the note is convertible into) and the fair value of the Common Stock multiplied by the number of shares into which the note may be converted.

In accordance with ASC 470 "Debt with Conversion and other Options", the intrinsic value of the beneficial conversion features was recorded as a debt discount with a corresponding amount to additional paid in capital. The debt discount is amortized to interest expense over the life of the instrument.

For the six months ended June 30, 2019, the Company recorded $1,569 of interest expense related to convertible notes financing of $32,890 incurred in 2018.

For the six months ended June 30, 2018, the Company recorded $200,302 of interest expense related to convertible notes financing of $32,890.

Total interest expense incurred from these loans for the six months ended June 30, 2019 and 2018 was $2,613 and $202,963, respectively, which includes $1,569 and $198,818, respectively, of interest expense from beneficial conversions.

NOTE 6 — STOCKHOLDERS' EQUITY

The Company is authorized to issue 500,000,000 shares of $0.0001 par value Common Stock.

June 30, 2018

$14,270,000 shares of Common Stock were issued in consideration of professional services valued at $285,400.

$221,446 of notes including accrued interest of $4,145 were converted into 20,880,170 shares of the Company's Common Stock.

The Company received the proceeds of $110,000 in exchange for 11,000,000 shares of Common Stock.

June 30, 2019

$33,934 of notes including accrued interest of $1,044 were converted into 1,644,980 shares of the Company's Common Stock.

5,734,989 shares of Common Stock were issued in consideration of professional services valued at $79,275.

The Company received $15,000 for 1.2 million shares of Common Stock to be issued plus 300,000 warrants that can be exercised at a price of $.04 per share by May 2020

NOTE 7 — NET 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:

NOTE 7 — NET LOSS PER COMMON SHARE (CONTINUED)

		June 30, 2019		June 30, 2018
Net loss available to common stockholders	$	(259,409)	$	(712,480)
Denominator for basic and diluted loss per share		229,975,276		155,157,947
Net loss per common share, basic and diluted	**$**	**0.00**	**$**	**0.00**

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, 2019 and 2018 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.

A reconciliation of the differences between the effective and statutory income tax rates for the six months ended June 30, 2019 and 2018 are as follows:

	Percent		June 30, 2019	Percent		June 30, 2018
Federal statutory rates	21.00%	$	2,656,946	34.00%	$	4,120,726
State statutory rates	0.00%		-	0.00%		-
Permanent differences	0.00%		-	0.00%		-
Valuation allowance against net deferred tax assets	(21.00%)		(2,656,946)	(34.00%)		(4,120,726)
Effective rate	**0.00%**	**$**	**-**	**0.00%**	**$**	**-**

The Company is located in the State of Nevada and incurs no state income tax.

At June 30, 2019 and 2018, the significant components of the deferred tax assets are summarized below:

NOTE 8 — INCOME TAXES (CONTINUED)

	June 30, 2019	June 30, 2018
Deferred income tax asset		
Net operating loss carryforwards	$ 2,665,955	$ 4,131,288
Total deferred income tax asset	**2,665,955**	**4,131,288**
Less: valuation allowance	(2,665,955)	(4,131,288)
Total deferred income tax asset	-	-
Deferred income tax liability		
Goodwill amortization	9,009	10,562
Total deferred income tax liability	**9,009**	**10,562**
Less: valuation allowance	(9,009)	(10,562)
Total deferred income tax liability	-	-
Total net deferred liability	**$ -**	**$ -**

The Company has a net operating loss carryforward for tax purposes totaling approximately $12.6 million at June 30, 2019, expiring through the year 2038. Internal Revenue Code Section 382 places a limitation on the amount of taxable income that can be offset by carryforwards after certain ownership shifts.

On December 22, 2017, Public Law 115-97, informally referred to as the Tax Cuts and Jobs Act ("the TCJA") was enacted into law. The TCJA provides for significant changes to the U.S. Internal Revenue Code of 1986, as amended, that impact corporate taxation requirements. Effective January 1, 2018, the federal tax rate for corporations was reduced from 35% to 21% for US taxable income and requires one-time remeasurement of deferred taxes to reflect their value at a lower tax rate of 21%. There are other provisions to the TCJA, such as conversion of a worldwide system to a territorial system, limitations on interest expense and domestic production deductions, which will be effective in fiscal 2019. The Company anticipates its effective tax rate to be 21%, excluding the one-time impact of the TCJA for fiscal 2018 primarily due to the reduction in the federal tax rate. The Company's actual effective tax rate for fiscal 2018 may differ from management's estimate due to changes in interpretations and assumptions. Due to the timing of enactment and complexity of the TCJA, the Company is unable to estimate a reasonable range of the one-time impact associated with mandatory repatriation, re-measurement of deferred taxes and other provisions of the TCJA.

NOTE 9 — MINING TRANSACTIONS

New Enterprise

The Company has committed to beginning a Phase 1 geologic study and mapping and sampling program on its New Enterprise Property near Kingman, Arizona and has an on going consulting agreement with Duncan Bain Consulting Ltd of London Ontario, Canada to provide supplemental geologic consulting to the Company. The monthly consulting fee is $500. Duncan Bain Consulting Ltd and/or a subcontractor will be brought in to execute the mapping and sampling program in the first quarter of 2018 and execute the Phase 1 Report. The estimated fee for the sampling program and Phase 1 Report has been agreed on as $35,500. Additional costs related to lab analysis and travel expenses will be incurred by the Company as well.

NOTE 9 — MINING TRANSACTIONS (CONTINUED)

The Company has filed documentation with the BLM and has received a permit to begin road clearing and site preparation work in advance of a beginning a bulk sampling program on the New Enterprise mine site. Work is scheduled to commence in the first quarter of 2018. The Company has formed an Advisory Board currently comprised of three named members. Members of the Advisory Board serve for 2 years and are compensated over the 2 year period with the Company's restricted Common Stock.

West Bolo

On March 18, 2018 the Company entered into a five year "earn-in" joint venture agreement with America's Gold Exploration, Inc. ("AGEI") on the West Bolo Mining Project located in Nye County Nevada. Under the terms of the agreement the Company paid 10,000,000 restricted common shares in May, 2018 to AGEI for the earn in rights and will pay Donald J. McDowell, CEO of AGEI, $50,000 within 90 days of execution. The Company has also committed to funding of up to $5 million of exploration and development costs over a five year period, at the end of which the Company will have accumulated or "earned-in" a 70% ownership stake in the West Bolo Project.

Tonopah SIN Mining

On March 18, 2018 the Company entered into a six year "earn-in" joint venture agreement with William Matlack and Donald J. McDowell ("M & M") on the Tonopah SIN Mining Project Located in Esmeralda County Nevada. Under the terms of the agreement, the Company paid 3,770,000 restricted common shares in May, 2018 to M & M for the earn in rights and paid M & M $50,000 within 90 days of execution. The Company has also committed to funding of up to $5 million of exploration and development costs over a five-year period, at the end of which the Company will have accumulated or "earned-in" a 70% ownership stake in the Tonopah SIN Project.

America's Gold Exploration

On March 18, 2018 the Company entered into a five year "earn-in" joint venture agreement with America's Gold Exploration, Inc. ("AGEI") on the West Bolo Mining Project located in Nye County Nevada. Under the terms of the agreement the Company paid 10,000,000 restricted common shares to ABEI for the earn in rights.

NOTE 10 — RESTATEMENT

During 2015 the Company recorded a $5,175,000 impairment charge related to the decrease in value of it 40% interest in 107 mining leases and mining claims located in Pershing, Nevada (See Note 3). Accordingly, the accumulated deficit as of January 1, 2018 and for the six months ended June 30, 2018 have been restated to correct these errors.

The Company follows ASC 805-740 as it relates to the recording of deferred taxes for the tax amortization of goodwill. Upon a GAAP based future impairment of goodwill or sale of the properties that includes goodwill, the deferred tax

liability as of the date of said events will be adjusted downward accordingly, and the corresponding impairment charge or gain on sale will be reflected net of taxes.

The effects of the restatement of the Consolidated Balance Sheets and the Consolidate Statements of Changes in Stockholders' Equity are as follows:

	As Previously Reported	As Restated
Accumulated Deficit, January 1, 2018	$ (6,348,473)	$ (11,438,367)
Accumulated Deficit, June 30, 2018	$ (6,668,698)	$ (12,150,847)

The effects of the restatement of the Consolidate Statements of Cash Flows are as follows:

NOTE 10 — RESTATEMENT (CONTINUED)

	As Previously Reported	As Restated
Operating Activities, June 30,2018	$ (246,297)	$ (28,239)
Financing Activities, June 30,2018	$ 331,383	$ 113,325

NOTE 11 — SUBSEQUENT EVENTS

The Company has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued. Below are subsequent events disclosures:

In July 2019, the Company offered up to 10,000,000 Units (each a “Unit,” and collectively, the “Units”), each such Unit consisting of four (4) shares of Common Stock, par value $0.0001 per share (the “Common Stock”) and one (1) redeemable warrant (the “Redeemable Warrant”), at a purchase price of $0.05 per Unit for an aggregate purchase price of $500,000. Each Redeemable Warrant entitles the holder to purchase one (1) share of the Company’s Common Stock at a price of $0.04 per share (subject to adjustment as provided herein) commencing on August 15, 2019 and ending at 5:00 p.m. on August 15, 2020 (the “Expiration Date”). All, but not less than all, of the outstanding Redeemable Warrants are redeemable at the option of the Company at a redemption price of $0.01 per Redeemable Warrant, at any time after February 15, 2020, and prior to the Expiration Date on thirty (30) days’ prior written notice, provided that the last sale price of the shares of the Company’s Common Stock (subject to adjustments for stock dividends, stock splits and the like) equals or exceeds $0.10 per share for twenty (20) consecutive trading days ending on the third business day prior to the date of the notice of redemption. See “Description of Units.” Until the completion of this offering, the Units may only be purchased together on the basis of four (4) shares of Common Stock and one (1) Redeemable Warrant.

The Company raised $370,000 in August 2019 through a private placement of restricted shares and warrants. The Company will issue 7,400,000 as of August 14th 2019, The securities issued were in the form of investment units offered at .05. The investment units are comprised of four, (4) shares of restricted Common Stock and one, (1), warrant to purchase one, (1) additional share of restricted Common Stock at an exercise price of .04. The warrant has an active term of one, (1), year from the closing date of the private placement of August 15 2019.

The Company has engaged UHY LLP, Certified Public Accountants as an independent auditor to complete an annual audit of its Consolidated Financial Statements of 2018. The Company completed the audit in August 2019.

The Company expects to file its Regulation A Form 1A Tier Two draft offering statement with the Securities and Exchange Commission in the second half of 2019. The Company expects significant charges for legal and other expenses related to the filing.

The Company has begun its Bulk Sampling Program and has hired AuRic Metallurgical Laboratories of Salt Lake City Utah to perform various tests and analysis. The Company expects significant charges to complete this work.

The Company has begun seeking bids for core drilling and geophysics programs on its New Enterprise Project near Kingman, Arizona. The Company expects significant charges in the third and fourth quarters of 2019 related to the execution of theses exploration activities.