

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY

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DECEMBER 31, 2020 AND 2019

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**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Current Assets		
Cash	\$ 26,651	\$ 48,860
Investments in Marketable Securities	22	37
Prepaid Expense	27,410	-
Total Current Assets	54,083	48,897
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	59,110	54,561
Net Property and Equipment	80,386	84,935
Other Assets		
Goodwill	177,514	177,514
Mineral Property Rights	6,000	6,000
BLM Bond	-	4,060
Total Other Assets	183,514	187,574
Total Assets	\$ 317,983	\$ 321,406

No assurance is provided with these financial statements.

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019**

	2020	2019
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 60,762	\$ 101,626
Insurance Note Payable	9,068	-
Loans Payable, Related Party	24,715	22,915
Convertible Notes Payable, Net of Debt Discounts	200,000	-
Total Current Liabilities	294,545	124,541
Total Liabilities	294,545	124,541
Stockholders' Equity		
Common Stock (\$0.0001 Par Value; 500,000,000 Shares Authorized; 335,638,119 and 282,438,119 Shares Issued and Outstanding as of December 31, 2020 and 2019, respectively)	33,564	28,244
Additional Paid-In Capital	14,408,563	13,624,458
Accumulated Deficit	(14,418,689)	(13,455,837)
Total Stockholders' Equity	23,438	196,865
Total Liabilities and Stockholders' Equity	\$ 317,983	\$ 321,406

No assurance is provided with these financial statements.

**PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
Revenue	\$ -	\$ -
Operating Expenses		
Mining and Exploration Costs	241,290	364,745
Professional Fees	376,483	367,645
General and Administrative	89,936	169,648
Depreciation	4,549	6,582
Total Operating Expenses	712,258	908,620
Loss from Operations	(712,258)	(908,620)
Other (Expenses) Income		
Impairment of Mineral Property Rights	-	(75,000)
Interest Expense	(250,541)	(2,613)
Impairment of Investments in Joint Ventures	-	(275,400)
Other (Expenses) Income	(53)	-
Total Other (Expenses) Income	(250,594)	(353,013)
Loss Before Provision for Income Taxes	(962,852)	(1,261,633)
Provision for Income Taxes	-	-
Net Loss	\$ (962,852)	\$ (1,261,633)

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF
CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Balance, January 1, 2019	223,558,150	\$	22,356	\$	12,812,568	\$	(12,194,204)	\$	640,720
Common Stock Issued for Services	20,034,989		2,003		320,271		-		322,275
Common Stock Issued to Retire Convertible Notes Plus Accrued Interest	1,644,980		164		33,770		-		33,934
Common Stock Issued for Prepaid Royalty Expenses	2,000,000		200		19,800		-		20,000
Debt Discounts as a Result of Beneficial Conversion	-		-		1,569		-		1,569
Common Stock Subscribed for Cash	35,200,000		3,520		436,480		-		440,000
Net Loss for the Year Ended December 31, 2019	-		-		-		(1,261,633)		(1,261,633)
Balance, December 31, 2019	282,438,119	\$	28,244	\$	13,624,458	\$	(13,455,837)	\$	196,865
Balance, January 1, 2020	282,438,119	\$	28,244	\$	13,624,458	\$	(13,455,837)	\$	196,865
Common Stock Issued for Services	900,000		90		8,910		-		9,000
Common Stock Issued for Mineral Rights	1,000,000		100		9,900		-		10,000
Common Stock Issued to Retire Convertible Notes Plus Accrued Interest	51,000,000		5,100		510,325		-		515,425
Debt Discounts as a Result of Beneficial Conversion	-		-		243,000		-		243,000
Cash Proceeds from the Exercise of 300,000 Redeemable Warrants	300,000		30		11,970		-		12,000
Net Loss for the Year Ended December 31, 2020	-		-		-		(962,852)		(962,852)
Balance, December 31, 2020	335,638,119	\$	33,564	\$	14,408,563	\$	(14,418,689)	\$	23,438

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities		
Net Loss	\$ (962,852)	\$ (1,261,633)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation	4,549	6,582
Loss in Value on Investments Available for Sale	15	66
Impairment of Investments in Joint Ventures	-	275,400
Impairment of Mineral Rights	-	75,000
Shares of Common Stock Issued for Services Rendered	9,000	322,275
Amortization of Debt Discount Interest Expense	243,000	2,613
Common Stock Issued for Royalty Expenses	-	20,000
Common Stock Issued for Mineral Rights	10,000	-
Interest Expense from Convertible Notes Payable Retired with Common Stock	6,510	-
Changes in Assets and Liabilities:		
Prepaid Expense	(27,410)	-
BLM Bond	4,060	-
Accounts Payable and Accrued Expenses	(41,949)	63,752
Insurance Costs Note Payable	37,366	-
Net Cash Used in Operating Activities	(717,711)	(495,945)
Cash Flows from Financing Activities		
Proceeds from Issuance of Common Stock	-	440,000
Cash Proceeds from the Exercise of 300,000 Redeemable Warrants	12,000	-
Proceeds from Convertible Debt	710,000	-
Principal Payments of Insurance Note	(28,298)	-
Proceeds from Loans Payable, Related Party	1,800	-
Net Cash Provided by Financing Activities	695,502	440,000
Net Decrease in Cash	(22,209)	(55,945)
Cash - Beginning of Period	48,860	104,805
Cash - End of Period	\$ 26,651	\$ 48,860
Supplemental Disclosures:		
Cash Paid for Interest	\$ 1,031	\$ -
Cash Paid for Income Taxes	\$ -	\$ -
Summary of Noncash Activities:		
Common Stock Issued for Services	\$ 9,000	\$ 322,275
Common Stock Issued for Mineral Rights	\$ 10,000	\$ -
Common Stock Issued to Retire Convertible Notes Plus Accrued Interest	\$ 515,425	\$ 33,934
Common Stock Issued for Prepaid Royalty Expenses	\$ -	\$ 20,000
Insurance Costs Financed	\$ 37,366	\$ -

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization

Pershing Resources Company, Inc., 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 precious and base metals exploration company pursuing exploration and development opportunities primarily in Arizona and Nevada. As of the date of this document, 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 had incurred a net loss of \$962,852 and \$1,261,633 for the years ended December 31, 2020 and 2019, respectively, had incurred a total accumulated deficit of \$14,418,689 as of December 31, 2020 and requires additional 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. In addition, the continued spread of COVID-19 and its impact on market conditions may limit the Company's ability to raise additional capital through equity and debt securities issuances. 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”).

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. 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. 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 have been included.

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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 2019 consolidated financial statements to comply with the 2020 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 December 31, 2020 and 2019.

Fair Value of Financial Instruments

The Company follows 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 makes disclosures about such fair value measurements.

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, investments in marketable securities, accounts payable and accrued expenses approximate their estimated fair values based on the short-term maturity of these instruments. The carrying amounts of the loans and note payable at December 31, 2020 and 2019 approximate their respective fair values based on the Company's incremental borrowing rate.

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

The Company's investment in marketable securities is held for an indefinite period and thus is classified as available for sale.

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.

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 intangible 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.

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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.

In summary, we evaluate the recoverability of the carrying value of long-lived assets, including mineral rights, whenever new information is obtained indicating that production or further exploration will not likely occur or may be reduced in the future, thus affecting the future recoverability of the properties. If the recoverability test is not met, then the Company recognizes an impairment loss when the current market value of the long-lived assets is less than the carrying amount of the asset.

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.

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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.

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.

Uncertain Tax Positions

U.S. GAAP require the Company to account for uncertain tax positions. No significant tax positions were taken by management which are subject to uncertainty or pose a reasonable possibility of change by Federal or State tax authorities. The Company's tax returns for 2017 and forward are subject to the usual review by the appropriate taxing authorities.

Accounting for Share-Based Payments and Stock Warrants

In accordance with the provisions of ASC Topic 718, "Accounting for Stock Based Compensation", the Company recognizes share-based payment expense for stock options and warrants. In June 2018, ASU 2018-07, "Compensation - Stock Compensation/Improvements to Non-Employee Share-Based Payment Accounting", was issued. ASU 2018-07 expands the scope of ASC Topic 718 to include share-based payment transactions for acquiring goods and services from non-employees. The requirements of Topic 718 must be applied to non-employee awards except for certain exemptions specified in the amendment. ASU 2018-07 was effective for fiscal years beginning after December 15, 2018, including interim reporting periods within that fiscal year. The Company adopted ASU 2018-07 in the first quarter of 2019 and the adoption did not have a material impact on its financial position or results of operations.

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

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PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related Party Transactions (Continued)

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

Effective as of the beginning of fiscal 2019, the Company adopted Accounting Standards Update No. 2016-01, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. ASU 2016-01 requires that equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Furthermore, equity investments without readily determinable fair values are to be assessed for impairment using a quantitative approach. The amendments in ASU 2016-01 were applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption, with other amendments related specifically to equity securities without readily determinable fair values applied prospectively. The adoption of this standard did not have a material impact on the financial statements of the Company.

In February 2016, the FASB issued ASU No. 2016-02, Leases. This ASU requires management to recognize lease assets and lease liabilities for all leases. ASU No. 2016-02 retains a distinction between finance leases and operating leases. The classification criteria for distinguishing between finance leases and operating leases are substantially similar to the classification criteria for distinguishing between capital leases and operating leases in the previous lease guidance. The result of retaining a distinction between finance leases and operating leases is that under the lessee accounting model, the effect of leases in the statement of comprehensive income and the statement of cash flows is largely unchanged from previous U.S. GAAP. The guidance in ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The adoption of this standard had no impact on the financial statements of the Company.

In January 2017, the FASB issued ASU No. 2017-4, Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment, which eliminates Step 2 from the goodwill impairment test. When an indication of impairment was identified after performing the first step of the goodwill impairment test, Step 2 required that an entity determine the fair value at the impairment testing date of its assets and liabilities (including unrecognized assets and liabilities) using the same procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Under the amendments in ASU No. 2017-4, an entity would perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying value. An entity would recognize an impairment charge for the amount by which the carrying value exceeds the reporting unit's fair value. In addition, an entity must consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. ASU 2017-4 was effective for fiscal years beginning after December 15, 2018 and was adopted in the first quarter of 2019.

In July 2017, the FASB issued ASU 2017-11 "Earnings Per Share (Topic 260). The amendments in the update change the classification of certain equity-linked financial instruments (or embedded features) with down round features. The amendments also clarify existing disclosure requirements for equity-classified instruments. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share ("EPS") in accordance with Topic 260, Earnings Per Share, to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. Convertible instruments with embedded conversion options that have down round features would be subject to the specialized guidance for contingent beneficial conversion features (in Subtopic 470-20, Debt—Debt with Conversion and Other Options), including related EPS guidance (in Topic 260). For public business entities, the amendments in Part I of this update are effective for

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PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The adoption of this standard had no impact on the financial statements of the Company.

In June 2018, the FASB issued ASU No. 2018-07 "Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting." These amendments expand the scope of Topic 718, Compensation - Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned. The ASU supersedes Subtopic 505-50, Equity - Equity-Based Payments to Non-Employees. The guidance is effective for public companies for fiscal years, and interim fiscal periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted, but no earlier than a company's adoption date of Topic 606, Revenue from Contracts with Customers. ASU 2018-07 was adopted in the first quarter of 2019.

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.

NOTE 3 — INVESTMENTS IN MINERAL RIGHTS

West Bolo

On March 18, 2018, the Company entered into a five year "earn-in" agreement with America's Gold Exploration, Inc. ("AGEI") on the West Bolo Mining Project located in Nye County Nevada. On May 4, 2018, the Company issued 10,000,000 restricted common shares at \$.02 per share to AGEI for the earn in rights. The share price was based on the quoted stock price on the transaction date, for a total value of \$200,000. For a more detailed discussion please refer to Note 11, Mining Transactions.

In September 2019, the Company terminated the original agreement and negotiated a new agreement. Under the new agreement, AGEI would retain the 10,000,000 restricted common shares and would convey a 50% ownership stake to the Company via a quit claim deed. The Company would assume responsibility for all exploration and development costs on the property. Also, there would be no further investments required by the Company in this venture.

In December 2020, the Company terminated the above agreement and negotiated a new agreement. Under this new agreement, AGEI will retain the 10,000,000 restricted common shares and the Company will assume 100% ownership of the mineral rights of the West Bolo property and an additional Arizona property. For both properties, AGEI will be separately assigned a 4% royalty on any revenue generated from the properties. In addition, the Company has the right to purchase back from either property within 5 years a 1% royalty on any revenue generated from the properties for \$1 million within 5 years, and to purchase back an additional 1% royalty within 10 years on any revenue generated from the properties for \$2 million. The Company will assume responsibility for exploration and development costs on both properties as stipulated below:

First lease year	\$ 5,000
Second lease year	25,000
Third lease year and thereafter	50,000

Also, there will be no further investments required by the Company in this venture.

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 — INVESTMENTS IN MINERAL RIGHTS (CONTINUED)

Tonopah SIN Mining

On March 18, 2018, the Company entered into a six year "earn-in" agreement with William Matlack and Donald J. McDowell ("M & M") on the Tonopah SIN Mining Project Located in Esmeralda County Nevada. On May 4, 2018, the Company issued 3,770,000 restricted common shares at \$.02 per share to M & M for the earn in rights. The share price was based on the quoted stock price on the transaction date, for a total value of \$75,400.

In December 2020, the Company terminated the above agreement, with M & M retaining the 3,770,000 of restricted common shares issued in May 2018.

During 2020, the Company evaluated these investments for impairment and as a result of the changes in the agreements in 2020, as described above, determined that an other than temporary impairment existed and recorded an impairment loss of \$275,400 in the third quarter of 2019 to adjust the investment value to its estimated fair value.

Additional Arizona Properties

On August 31, 2020, the Company acquired mineral rights on three properties located in Mohave County, Arizona. The Company issued 1 million shares at a cost of \$.01 per share for total consideration of \$10,000, and on January 6, 2021 issued 500,000 shares at a price of \$.017 per share for total consideration of \$8,500. The \$10,000 item is recorded as part of "Mining and Exploration Costs" in the Statement of Operations.

New Enterprise Acquisitions

In August 2020, the Company acquired a quit claim deed and transfer of the mineral rights for the Standard Mine/Telluride Chief historic mine for \$75,000, which is recorded as part of "Mining and Exploration Costs" in the Statement of Operations. The Standard/Telluride Chief Historic Mine lies within the New Enterprise project area project. As such, this expense will be included in the New Enterprise project costs.

NOTE 4 — MINERAL PROPERTIES

The Company's mineral properties includes the Marco Property near Lovelock, Nevada. The Marco Property 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 December 31, 2020, based on management's review of the carrying value of the 40% interest in the 107 mining leases and mining claims located in Pershing County, Nevada, management determined that there is no evidence that the cost of these acquired mineral rights will be fully recovered and, accordingly, recorded an impairment loss of \$75,000 for the year ended December 31, 2020.

NOTE 5 – INSURANCE NOTE PAYABLE

The Company financed one of its annual directors' and officers' insurance policy with a \$25,371 note that requires nine monthly payments of \$2,913, which includes interest at 8%. The final payment was made in December 2020. The Company incurred \$849 and \$0 of interest expense, respectively, for the years ended December 31, 2020 and 2019.

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 – INSURANCE NOTE PAYABLE (CONTINUED)

The Company financed its annual commercial liability insurance policy with a \$11,995 note that requires eight monthly payments of \$1,554, which includes interest at 8%. The final payment will be made in June 2021. The balance due at December 31, 2020 was \$9,068. The Company incurred \$182 and \$0 of interest expense, respectively, for the years ended December 31, 2020 and 2019.

NOTE 6 – RELATED PARTY TRANSACTIONS

Other loans payable represents net advances received of \$24,715, from a related party as of December 31, 2020 and 2019 that are non-interest bearing and due on demand.

For the year ended December 31, 2020, 900,000 shares of common stock were issued in consideration of professional services valued at \$9,000, all of which were issued to related parties. For the year ended December 31, 2019, 20,034,989 shares of common stock were issued in consideration of professional services valued at \$322,275, which included 7,294,980 shares of common stock were issued in consideration of professional services valued at \$98,890 to related parties.

NOTE 7 — CONVERTIBLE NOTES PAYABLE, NET OF DEBT DISCOUNT

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, net of discounts, as of December 31, 2020 and 2019 was \$200,000 and \$0, respectively. For the year ended December 31, 2019, \$33,934 of notes including accrued interest \$1,044 were converted into 1,644,980 shares of the Company's Common Stock, all of which was with related parties.

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.

Total interest expense incurred from these loans for the years ended December 31, 2020 and 2019 was \$249,510 and \$2,613, respectively, which includes \$243,000 and \$1,569, respectively, of interest expense from beneficial conversions.

Total interest expense incurred from these loans with related parties for the years ended December 31, 2020 and 2019 was \$626 and \$1,044, respectively.

NOTE 8 — STOCKHOLDERS' EQUITY

The Company is authorized to issue 500,000,000 shares of \$0.0001 par value common stock.

December 31, 2019

During the year, \$33,934 of notes including accrued interest of \$1,044 were converted into 1,644,980 shares of the Company's common stock.

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 — STOCKHOLDERS' EQUITY (CONTINUED)

December 31, 2019 (Continued)

During the year, 20,034,989 shares of common stock were issued in consideration of professional services valued at \$322,275, which included 7,294,980 shares of common stock issued in consideration of professional services valued at \$98,890 to related parties.

During the year, 2,000,000 shares of the Company's common stock were issued to pay for royalty expenses related to mining transactions.

The Company received \$440,000 for 35,200,000 shares of Common Stock issued plus 300,000 warrants that can be exercised at a price of \$.04 per share by June 30, 2021. The Company received \$12,000 from the exercise of the 300,000 warrants in the first quarter of 2020.

December 31, 2020

900,000 shares of common stock were issued in consideration of professional services valued at \$9,000, all of which were for related parties.

On August 31, 2020, the Company acquired mineral rights on three properties located in Mohave County, Arizona. The Company issued 1 million shares at a cost of \$.01 per share for total consideration of \$10,000.

During the year, \$515,425 of notes including accrued interest of \$5,425 were converted into 51,000,000 shares of the Company's common stock, which included 5,700,000 shares valued at \$57,621 to related parties.

The Company received \$12,000 from the exercise of 300,000 redeemable warrants.

At December 31, 2020, the Company had outstanding 9,700,000 redeemable warrants to purchase shares of common stock, all fully vested as of December 31, 2020, at an exercise price of \$0.04 per share, subject to down-round anti-dilution adjustments, expiring on June 30, 2021. The warrants are redeemable at the option of the Company provided the last sale price of the shares of the Company's common stock equals or exceeds \$0.10 per share for twenty (20) consecutive trading days. Any common shares issued as a result of the exercise of warrants would be new common shares issued from the Company's authorized issued shares.

Aggregate fair values of warrants and options issued during the year ended December 31, 2020:

	Number of Warrants Issued	Weighted Average Exercise Price Per Share	Weighted Average Grant Date Fair Value Per Share	Weighted Average Remaining Contractual Term in Years
Outstanding at January 1, 2020	10,000,000	\$0.04	\$0.00	0.623
Issued	-	\$0.04	N/A	N/A
Exercised	(300,000)	(\$0.04)	\$0.00	0.432
Expired or forfeited	-	N/A	N/A	N/A
Outstanding at December 31, 2020	9,700,000	\$0.04	\$0.00	0.75

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
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NOTE 9 — 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:

	December 31, 2020	December 31, 2019
Net loss available to common stockholders	\$ (962,852)	\$ (1,261,633)
Denominator for basic and diluted loss per share	293,470,722	229,975,276
Net loss per common share, basic and diluted	\$ 0.00	\$ 0.00

NOTE 10 — 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 years ended December 31, 2020 and 2019 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 years ended December 31, 2020 and 2019 are as follows:

	<u>Percent</u>	<u>December 31, 2020</u>	<u>Percent</u>	<u>December 31, 2019</u>
Federal statutory rates	21.00%	\$ (202,199)	21.00%	\$ (264,943)
State statutory rates	0.00%	-	0.00%	-
Permanent differences	0.00%	-	0.00%	-
Valuation allowance against net deferred tax assets	(21.00%)	202,199	(21.00%)	264,943
Effective rate	<u>0.00%</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ -</u>

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

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 10 — INCOME TAXES (CONTINUED)

At December 31, 2020 and 2019, the significant components of the deferred tax assets are summarized below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Deferred income tax asset		
Net operating loss carryforwards	\$ 2,952,751	\$ 2,748,067
Impairment of intangible assets	-	73,584
Total deferred income tax asset	2,952,751	2,821,651
Less: valuation allowance	<u>(2,952,751)</u>	<u>(2,821,651)</u>
Total deferred income tax asset	-	-
Deferred income tax liability		
Goodwill amortization	13,979	11,494
Total deferred income tax liability	13,979	11,494
Less: valuation allowance	<u>(13,979)</u>	<u>(11,494)</u>
Total deferred income tax liability	-	-
Total net deferred liability	\$ -	\$ -

The Company has a net operating loss carryforward for tax purposes totaling approximately \$14.0 million at December 31, 2020, of which approximately \$11.4 million is expiring through the year 2037, and approximately \$2.6 million is carried forward indefinitely. 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 required 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 became effective in fiscal 2019.

NOTE 11 — 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 PetroLogic Inc. to provide supplemental geologic consulting to the Company. The monthly consulting fee is \$5,000. PetroLogic Inc. was brought in to execute the mapping and sampling program of the New Enterprise Project in the first quarter of 2018 and execute the Phase 1 report. Additional costs related to lab analysis, geologic studies and, travel expenses for ongoing exploration will be incurred by the Company.

The Company has filed documentation with the BLM and has received a permit to begin exploration work on the New Enterprise mine site.

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 — MINING TRANSACTIONS (CONTINUED)

Marco

As of December 31, 2019, based on management's review of the carrying value of the Marco property near Lovelock, Nevada (40% interest in the 107 mining leases and mining claims located in Pershing County, Nevada), management determined that there is no evidence that the cost of these acquired mineral rights will be fully recovered and, accordingly, recorded an impairment loss of \$75,000 for the year ended December 31, 2019.

West Bolo

On March 18, 2018 the Company entered into a five year "earn-in" 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 on May 4, 2018, to AGEI for the earn in rights and was scheduled to pay the CEO of AGEI \$50,000 and commit to funding up to \$5 million of exploration and development costs over a five year period, at the end of which the Company would have accumulated or "earned-in" a 70% ownership stake in the West Bolo Project.

In September 2019, the Company terminated the original agreement and negotiated a new agreement. Under the new agreement, AGEI would retain the 10,000,000 restricted common shares and would convey a 50% ownership stake to the Company via a quit claim deed. The Company would assume responsibility for all exploration and development costs on the property. Also, there would be no further investments required by the Company in this venture.

During 2020, the Company evaluated this investment for impairment and as a result of the changes in the agreements in 2020, as described above, determined that an other than temporary impairment existed and recorded an impairment loss of \$200,000 to adjust the investment value to its estimated fair value.

Tonopah SIN Mining

On March 18, 2018, the Company entered into a six year "earn-in" agreement with William Matlack and Donald J. McDowell ("M & M") on the Tonopah SIN Mining Project Located in Esmeralda County Nevada. On May 4, 2018, the Company issued 3,770,000 restricted common shares at \$.02 per share to M & M for the earn in rights. The share price was based on the quoted stock price on the transaction date. In December, 2020, the Company terminated the above agreement and M & M retained the 3,770,000 of restricted common shares issued in May, 2018. During 2020, the Company evaluated the investments for impairment and as a result of the changes in the agreements in 2020, as described above, determined that an other than temporary impairment existed and recorded an impairment loss of \$75,400 to adjust the investment value to its estimated fair value.

Royalty Agreements

In December 2019 the Company entered into a variety of mining lease agreements (the "Agreements") with options to purchase royalty agreements (the "Agreements") with Mountain Gold Claims, LLC Series 8 ("MGC"). MGC owns and controls the mineral rights to a variety of properties located in the Klondyke, Hot Creek/Tybo, and Divide mining districts in Nevada (the "Area of Interest" or "AOI"). MGC agreed to lease the properties to the Company and grant the Company an option to purchase a portion of the Net Smelter Returns ("NSR") generated from the property's mining activities.

In consideration of the above Agreements, the Company paid MGC the following royalty payments, which will be credited against the first year anniversary payments due:

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 — MINING TRANSACTIONS (CONTINUED)

Royalty Agreements (Continued)

Klondyke	\$	4,000
Hot Creek / Tybo		4,000
Divide		12,000
Total	\$	20,000

Each of the above payments includes the following warrants which are executable at \$.04 per share:

Klondyke	\$	100,000
Hot Creek / Tybo		100,000
Divide		300,000
Total	\$	500,000

See Note 7 for a discussion of the Company's warrants.

Below is a schedule of future royalty payments due:

	Klondyke	Hot Creek / Tybo	Divide	Total
First anniversary	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000
Second anniversary	15,000	15,000	15,000	45,000
Third anniversary	20,000	20,000	20,000	60,000
Fourth anniversary	30,000	30,000	30,000	90,000
Fifth anniversary	40,000	40,000	40,000	120,000
Sixth through 10th anniversaries	50,000	50,000	50,000	150,000
Eleventh through 15th anniversaries	75,000	75,000	75,000	225,000
Sixteenth anniversary and each anniversary afterward	100,000	100,000	100,000	300,000

Aside from the above \$20,000 total royalty payment made to Klondike and Divide (\$10,000 each) per the above schedule, no additional payments have been made by the Company. On December 20, 2020, the Company received a 45-day deferment on the \$10,000 payment due to Hot Creek/Tybo on the first anniversary. The Company incurred \$10,000 and \$20,000 in royalty expenses, respectively, for the years ended December 31, 2020 and 2019.

Once production activities commence the Company shall pay MGC a production royalty equal to three percent (3%) of the NSR generated from the production or sale or other disposition of minerals by MGC derived from MGC's current claims on any and all lands within the AOI while the Agreements are in effect. In addition, once production activities commence, the Company shall pay to MGC a production royalty equal to one percent (1%) of the NSR or any other royalties from the production or sale of minerals from all third-party lands located within the AOI. The above advanced royalty payments will be applied against these royalties.

Each of the Agreements include an option to purchase the first 1% of the NSR for \$1 million on or before the 5th anniversary of the Agreements, and a right to purchase an additional 1% of the NSR generated from the property's mining activities on or before the 10th anniversary of the agreement.

No assurance is provided with these financial statements.

PERSHING RESOURCES COMPANY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 — MINING TRANSACTIONS (CONTINUED)

Royalty Agreements (Continued)

The Agreements include the following future work commitment expenditures for the Company:

	Hot Creek /		Divide	Total
	Klondyke	Tybo		
First lease year	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000
Second lease year	25,000	25,000	25,000	75,000
Third lease year and thereafter	50,000	50,000	50,000	150,000

NOTE 12 — 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. Management has evaluated the impact of the COVID-19 pandemic on the industry and has concluded that it has not impacted the Company's ability to raise the capital necessary to continue its operations.

Except for events previously disclosed in the notes to the financial statements, below are subsequent events disclosures:

In connection with the acquisition of the mineral rights on three properties located in Mohave County, Arizona, on January 6, 2021 issued 500,000 shares at a price of \$.017 per share for total consideration of \$8,500.

During February 2021, the Company received a total of \$400,000 in exchange for a series of 3% interest bearing notes that matures on July 31, 2021. The notes are convertible into a total of 16 million restricted shares of the Company's common stock at the note holder's option at a price of \$.25 per share. On March 29, 2021, the Company converted all of the above notes into 16 million restricted shares of the Company's common stock at a price of \$.025 per share.

On March 29, 2021, the Company converted a note for \$200,000 and issued 10,000,000 restricted common shares at a price of \$.02.

On March 26, 2021 the Company issued 10,000,000 restricted common shares for mineral rights for a property located in Mohave County, Arizona.

On March 29, 2021 the Company signed the Cello Mineral Rights Property Exploration and Mining Lease with Option To Purchase Royalty Agreement with Americas Gold Exploration Inc. No new issue of stock or payment of cash resulted from this transaction.

On March 29, 2021 the Company signed the West Bolo Mineral Rights Property Exploration and Mining Lease with Option To Purchase Royalty Agreement with Americas Gold Exploration Inc. No new issue of stock or payment of cash resulted from this transaction. The Company also formally cancelled the West Bolo Earn-Joint Venture Agreement.

No assurance is provided with these financial statements.