

OTC Pink Disclosure Document

ASIA BROADBAND INC. - March 31, 2018

1) Name of the issuer and its predecessors (if any)

ASIA BROADBAND, INC. DECEMBER 20, 2000
MERENDON INTERNATIONAL, INC. MARCH 19, 1999
GEMINI MARKETING, INC. JANUARY 24, 1996

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 1980 FESTIVAL PLAZA DRIVE, SUITE 300
Address 2: LAS VEGAS, NV 89135
Phone: 702-216-7167
Email: INFO@SIAMETALSINC.COM
Website(s): WWW.SIAMETALSINC.COM

IR Contact

Address 1: 1980 FESTIVAL PLAZA DRIVE, SUITE 300
Address 2: LAS VEGAS, NV 89135
Phone: 702-866-9054
Email: INFO@SIAMETALSINC.COM
Website(s): WWW.SIAMETALSINC.COM

3) Security Information

Trading Symbol: AABB

Exact title and class of securities outstanding: CLASS A COMMON

CUSIP: 04518L100

Par or Stated Value: \$0.001

Total shares authorized: 500,000,000 as of: 03.31.18

Total shares outstanding: 339,540,968 as of: 03.31.18

Exact title and class of securities outstanding: CLASS B COMMON

CUSIP: N/A

Par or Stated Value: \$0.001

Total shares authorized: 500,000,000 as of: 03.31.18

Total shares outstanding: -0- as of: 03.31.18

Exact title and class of securities outstanding: PREFERRED

CUSIP: N/A

Par or Stated Value: \$0.001

Total shares authorized: 100,000,000 as of: 03.31.18

Total shares outstanding: -0- as of: 03.31.18

Total shares authorized 1,100,000,000

Transfer Agent

Name SIGNATURE STOCK TRANSFER, INC..
Address 1: 14673 MIDWAY ROAD, SUITE 220
Address 2: ADDISON, TX 75001
Phone: 972-612-4120

Is the Transfer Agent registered under the Exchange Act?* Yes: ☒ No: ☐

List any restrictions on the transfer of security:

RULE 144

Describe any trading suspension orders issued by the SEC in the past 12 months.

NONE

Within the past year please list any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization:

NONE

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

- A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

ISSUANCES FOR SERVICES, DEBT, AND CASH

80,000,000 COMMON A SHARES ISSUED FOR SERVICES IN 1996

68,000,000 COMMON A SHARES CANCELLED IN 2000

4,260,000 COMMON A SHARES ISSUED FOR CASH AND SERVICES IN 2000

550,000 COMMON A SHARES ISSUED FOR SERVICES IN 2001

1,000,000 COMMON A SHARES ISSUED FOR CASH IN 2002

12,977,634 COMMON A SHARES ISSUED FOR CASH, DEBT, AND SERVICES IN 2003

8,723,334 COMMON A SHARES ISSUED FOR CASH AND SERVICES IN 2004

10,000 COMMON A SHARE ADJUSTMENT TO BALANCE STOCK REGISTER

300,000,000 COMMON A SHARES ISSUED FOR SERVICES AND EXPENSES IN 2011

- B. Any jurisdictions where the offering was registered or

qualified; N/A

- C. The number of shares

offered; N/A

- D. The number of shares sold;

N/A

- E. The price at which the shares were offered, and the amount actually paid to the

issuer; N/A

- F. The trading status of the shares; and

ALL ISSUANCES ABOVE WERE RESTRICTED SHARES

- G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

YES

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier

- A. Balance sheet;
- B. Statement of income;
- C. Statement of Stockholders' Equity (Deficit)
- D. Statement of cash flows;
- E. Financial statement notes;

FINANCIAL STATEMENTS AND FOOTNOTES ARE APPENDED TO THIS DOCUMENT

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer's business operations;

THE ISSUER IS A RESOURCE COMPANY WITH OPERATIONS FOCUSED ON THE PRODUCTION, SUPPLY AND SALE OF PRECIOUS AND BASE METALS, PRIMARILY TO ASIAN MARKETS.

- B. Date and State (or Jurisdiction) of Incorporation:

JANUARY 24, 1996; NEVADA

- C. the issuer's primary and secondary SIC Codes;

1000 (METAL MINING - PER SEC CLASSIFICATION)

- D. the issuer's fiscal year end date;

DECEMBER 31

- E. principal products or services, and their markets;

PRECIOUS AND BASE METAL ORE TO ASIAN MARKETS

7) Describe the Issuer's Facilities

THE ISSUER LEASES AN EXECUTIVE OFFICE SPACE ON A MONTH TO MONTH BASIS WHICH IS ADEQUATE FOR ITS CURRENT NEEDS

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

JAMES GILBERT IS THE BENEFICIAL OWNER OF 7.4% OF THE COMMON STOCK.
WILLIAM SNYDER IS THE BENEFICIAL OWNER OF 81% OF THE COMMON STOCK.
WILLIAM SNYDER IS NOT AN OFFICER OR DIRECTOR. JAMES GILBERT IS PRESIDENT AND DIRECTOR OF THE COMPANY.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NONE

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NONE

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

NONE

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

NONE

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of

the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

WILLIAM SNYDER OF 7260 E AZURE DR., SUITE 140-212, LAS VEGAS, NV 89130 IS THE BENEFICIAL OWNER OF 81% OF THE COMMON STOCK. HE IS NEITHER AN OFFICER OR DIRECTOR. JAMES GILBERT IS PRESIDENT AND DIRECTOR OF THE COMPANY.

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: POOLE & SHAFFERY LLP
Address 1: 25350 MAGIC MOUNTAIN PARKWAY
Address 2: SANTA CLARITA, CA 91355
Phone: (855) 997-7522

Accountant or Auditor

Name: N/A

Investor Relations Consultant

Name: N/A

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: N/A

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, JAMES GILBERT, PRESIDENT/CEO/CFO/SECRETARY certify that:

1. I have reviewed this QUARTERLY REPORT of ASIA BROADBAND, INC.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

5/4/2018 [Date]

/S/ JAMES GILBERT [CEO's Signature]

/S/ JAMES GILBERT [CFO's Signature]

CEO/CFO [Title]

Asia Broadband, Inc.

Balance Sheets
(Unaudited)

	March 31, 2018	December 31, 2017
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 932,204	\$ 314,576
Accounts Receivable	31,149	16,843
TOTAL CURRENT ASSETS	963,353	331,419
OTHER ASSETS		
Mineral Properties, Concessions & Licenses	1,220,101	1,107,155
Property, Plant and Equipment - Net of Depreciation	177,624	157,443
TOTAL CURRENT ASSETS	1,397,725	1,264,598
TOTAL ASSETS	<u>\$ 2,361,078</u>	<u>\$ 1,596,017</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 42,723	\$ 34,430
Due to related parties	11,864	11,864
TOTAL CURRENT LIABILITIES	54,587	46,294
NON-CURRENT LIABILITIES		
Convertible notes payable and accrued interest	2,193,965	2,162,932
TOTAL LIABILITIES	\$ 2,248,552	\$ 2,209,226
STOCKHOLDERS' EQUITY		
Preferred stock, 100,000,000 \$0.001 par value Authorized, -0- and -0- Issued	-	-
Common A stock, 500,000,000 \$0.001 par value shares Authorized, 339,540,968 and 339,540,968 Issued	\$ 339,541	\$ 339,541
Common B stock, 500,000,000 \$0.001 par value shares Authorized, -0- and -0- Issued		
Additional paid-in capital	10,362,470	10,362,470
Deficit accumulated in the development stage	(10,589,485)	(11,315,220)
TOTAL STOCKHOLDERS' EQUITY	112,526	(613,209)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,361,078</u>	<u>\$ 1,596,017</u>

The accompanying notes are an integral part of these statements

Asia Broadband, Inc.
Statements of Operations
(Unaudited)

	Quarter Ended March 31, 2018	Quarter Ended March 31, 2017	Period from January 24, 1996 (inception) to March 31, 2018
REVENUES			
Mineral Production Sales	\$ 251,694	\$ 194,152	\$ 1,201,693
Cost of Mining Production	<u>(148,751)</u>	<u>(133,149)</u>	<u>(803,568)</u>
Net Production Revenue	102,943	61,002	398,125
Brokered Mineral Sales	703,718	-	703,718
Other Operating Revenue	<u>-</u>	<u>-</u>	<u>50,503</u>
Gross Profit From Operations	<u>\$ 806,661</u>	<u>\$ 61,002</u>	<u>\$ 1,152,346</u>
EXPENSES			
Consulting fees	\$ 9,723	\$ 8,102	\$ 234,304
Depreciation and amortization	6,403	4,723	102,552
Director fees	-	-	54,000
Executive management fees	-	-	1,747,096
General and administrative	7,914	6,434	2,102,096
Travel and vehicle	16,706	10,406	125,043
Marketing and business development	6,284	5,237	413,617
Legal & Professional fees	2,863	3,017	565,815
Research and development	-	-	686,989
Stock-based compensation	-	-	4,828,492
Write-off of assets	<u>-</u>	<u>-</u>	<u>1,334,672</u>
	<u>49,893</u>	<u>37,920</u>	<u>12,194,676</u>
Net Income/(Loss) from Operations	\$ 756,768	\$ 23,083	\$ (11,042,330)
OTHER INCOME (EXPENSES)			
Loss on settlement of management fee	-	-	(39,508)
Miscellaneous	-	-	31,709
Interest income	-	-	123,267
Debt cancellation income	-	-	1,092,052
Interest expense	(31,033)	(26,682)	(984,825)
Net Income/(Loss) before minority interest	<u>\$ 725,735</u>	<u>\$ (3,599)</u>	<u>\$ (10,819,635)</u>
Minority interest	-	-	230,150
Net Income/(Loss) for the period	<u>\$ 725,735</u>	<u>\$ (3,599)</u>	<u>\$ (10,589,485)</u>
Net Income/(Loss) per common share - basic and diluted	\$ 0.002	\$ (0.00)	
Weighted average shares outstanding	339,540,968	339,540,968	

The accompanying notes are an integral part of these statements

Asia Broadband, Inc.
Statement of Stockholders' Equity
(Unaudited)

	Class A Common Shares Shares	Amount	Additional Paid-in Capital	Sub- scriptions Payable	Accumulated Deficit	Reduction for initial contribution of services	Total Stockholders' Equity
Issued on January 24, 1996 (inception)	80,000,000	\$ 80,000	\$ -	-	\$ -	(75,000)	\$ 5,000
Net loss for the period	-	-	-	-	(5,000)	-	(5,000)
Balance, December 31, 1996	80,000,000	80,000	-	-	(5,000)	(75,000)	-
Net loss for the year	-	-	-	-	(100)	-	(100)
Balance, December 31, 1997	80,000,000	80,000	-	-	(5,100)	(75,000)	(100)
Net loss for the year	-	-	-	-	(100)	-	(100)
Balance, December 31, 1998	80,000,000	80,000	-	-	(5,200)	(75,000)	(200)
Net loss for the year	-	-	-	-	(1,000)	-	(1,000)
Balance, December 31, 1999	80,000,000	80,000	-	-	(6,200)	(75,000)	(1,200)
Repurchase and cancellation	(68,000,000)	(68,000)	(7,000)	-	-	75,000	-
Shares for consulting services at \$1 per share in January 2000	2,500,000	2,500	2,497,500	-	-	-	2,500,000
Issuance of units for cash at \$1 per unit in June 2000	1,780,000	1,780	1,778,220	-	-	-	1,780,000
Net loss for the year	-	-	-	-	(3,101,801)	-	(3,101,801)
Balance, December 31, 2000	16,280,000	16,280	4,268,720	-	(3,108,001)	-	1,176,999
Shares for services in March 2001 at \$0.25 per share	450,000	450	112,050	-	-	-	112,500
Shares for services in June 2001 at \$0.20 per share	100,000	100	19,900	-	-	-	20,000
Stock option compensation	-	-	91,623	-	-	-	91,623
Net loss for the year	-	-	-	-	(1,045,514)	-	(1,045,514)
Balance, December 31, 2001	16,830,000	16,830	4,492,293	-	(4,153,515)	-	355,608
Shares for cash at \$0.25 per share in December 2002, net of finder's fee	1,000,000	1,000	236,500	-	-	-	237,500
Discount on convertible notes payable	-	-	27,273	-	-	-	27,273
Stock option compensation	-	-	79,912	-	-	-	79,912
Net loss for the year	-	-	-	-	(794,200)	-	(794,200)
Balance, December 31, 2002	17,830,000	17,830	4,835,978	-	(4,947,715)	-	(93,907)
Shares for cash at \$0.30 per share in June 2003	166,667	167	49,833	-	-	-	50,000
Shares for cash at \$0.30 per share in July 2003	4,116,667	4,117	1,230,883	-	-	-	1,235,000
Issuance of shares for finder's fee	216,000	216	(216)	-	-	-	-
Shares for services at \$0.055 per share in July 2003	4,500,000	4,500	243,000	-	-	-	247,500
Shares for services at \$0.055 per share in September 2003	1,800,000	1,800	97,200	-	-	-	99,000
Shares for management fees at \$0.08 per share in November 2003	1,178,300	1,178	93,086	-	-	-	94,264
Shares for conversion of notes payable in November 2003	1,000,000	1,000	299,000	-	-	-	300,000
Subscription received for shares	-	-	-	250,000	-	-	250,000
Stock option compensation	-	-	343,244	-	-	-	343,244
Net loss for the year	-	-	-	-	(2,171,881)	-	(2,171,881)

Balance, December 31, 2003	30,807,634	30,808	7,192,008	250,000	(7,119,596)	353,220
Shares for cash at \$ 0.30 per share in January 2004	833,334	833	249,167	(250,000)	-	-
Shares for cash at \$ 0.50 per share in February 2004	2,000,000	2,000	998,000	-	-	1,000,000
Shares for cash at \$ 0.50 per share in March 2004	290,000	290	144,710	-	-	145,000
Shares to be issued for services at \$0.19 per share in Septmebr 2004	100,000	100	18,900	-	-	19,000
Shares to be issued for services at \$0.055 per share in September 2004	5,500,000	5,500	297,000	-	-	302,500
Discount on convert ble note	-	-	451,732	-	-	451,732
Stock option compensation	-	-	1,010,963	-	-	1,010,963
Net loss for the year	-	-	-	-	(3,235,942)	(3,235,942)
DECEMBER 31, 2004 BALANCES	39,530,968	39,531	10,362,480	-	(10,355,538)	46,473
Adjust share balance	10,000	10.00	(10.00)	-	-	-
Net loss for the year	-	-	-	-	(1,101,380)	(1,101,380)
DECEMBER 31, 2005 BALANCES	39,540,968	39,541	10,362,470	-	(11,456,918)	(1,054,907.00)
Net loss for the year	-	-	-	-	(152,236)	(152,236.00)
DECEMBER 31, 2006 BALANCES	39,540,968	39,541	10,362,470	-	(11,609,154)	(1,207,143.00)
Net loss for the year	-	-	-	-	(22,900)	(22,900.00)
DECEMBER 31, 2007 BALANCES	39,540,968	39,541	10,362,470	-	(11,632,054)	(1,230,043.00)
Net loss for the year	-	-	-	-	(22,900)	(22,900.00)
DECEMBER 31, 2008 BALANCES	39,540,968	39,541	10,362,470	-	(11,654,954)	(1,252,943.00)
Net loss for the year	-	-	-	-	(22,900)	(22,900.00)
DECEMBER 31, 2009 BALANCES	39,540,968	39,541	10,362,470	-	(11,677,854)	(1,275,843.00)
Net loss for the year	-	-	-	-	(22,900)	(22,900.00)
DECEMBER 31, 2010 BALANCES	39,540,968	39,541	10,362,470	-	(11,700,754)	(1,298,743.00)
Shares issued for services and expenses at \$0.001 per share on March 3, 2011	300,000,000	300,000	-	-	-	300,000
Net loss for the year	-	-	-	-	(322,900)	(322,900)
DECEMBER 31, 2011 BALANCES	339,540,968	339,541	10,362,470	-	(12,023,654)	(1,321,643)
Net loss for the year	-	-	-	-	(22,900)	(22,900)
DECEMBER 31, 2012 BALANCES	339,540,968	339,541	10,362,470	-	(12,046,554)	(1,344,543.00)
Net loss for the year	-	-	-	-	(22,900)	(22,900)
DECEMBER 31, 2013 BALANCES	339,540,968	339,541	10,362,470	-	(12,069,454)	(1,367,443.00)
Net loss for year-RESTATEd	-	-	-	-	(34,112)	(34,112)
DECEMBER 31, 2014 BALANCES	339,540,968	339,541	10,362,470	-	(12,103,566)	(1,401,555)
Net income for year	-	-	-	-	1,017,373	1,017,373
DECEMBER 31, 2015 BALANCES	339,540,968	339,541	10,362,470	-	(11,086,193)	(384,182)
Net income for year	-	-	-	-	(217,019)	(217,019)
DECEMBER 31, 2016 BALANCES	339,540,968	339,541	10,362,470-	-	(11,303,212)	(601,201)
Net income for year	-	-	-	-	(12,008)	(12,008)
DECEMBER 31, 2017 BALANCES	339,540,968	339,541	10,362,470	-	(11,315,220)	(613,209)

Net income for quarter	-	-	-	-	725,735	-	725,735
MARCH 31, 2018 BALANCES	339,540,968	339,541	10,362,470	-	(10,589,485)	-	112,526

The accompanying notes are an integral part of these statements

Asia Broadband, Inc.
Statements of Cash Flows
(Unaudited)

	Quarter Ended March 31, 2018	Quarter Ended March 31, 2017	January 24 1996 (inception) to March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	\$ 725,735	\$ (2,642)	\$ (10,589,485)
Adjustments to reconcile net loss to	-	-	-
Net cash used in operating activities:			
Depreciation and amortization	6,403	4,723	102,552
Amortization of debt discount	-	-	451,732
Stock-based compensation	-	-	4,828,492
Loss on settlement of management fees	-	-	39,508
Minority interest	-	-	(230,150)
Debt cancellation	-	-	(892,000)
Accounts Receivable	(14,307)	(3,705)	(31,150)
Accounts payable	8,293	2,803	42,723
Accrued interest on convertible notes payable	31,033	26,682	305,965
Write-off of assets	-	-	1,334,672
	<u>\$ 757,157</u>	<u>\$ 27,861</u>	<u>\$ (4,637,141)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Asset purchase of mineral concessions	\$ -	\$ -	\$ (441,396)
Mineral exploration & development expenditures	(112,947)	(93,359)	(778,705)
Asset purchases - Property, plant & Equipment	(26,582)	(18,862)	(221,939)
	<u>\$ (139,529)</u>	<u>\$ (112,221)</u>	<u>\$ (1,442,040)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share subscriptions	\$ -	\$ -	\$ 4,219,521
Advances from (payments to) related parties	-	-	11,864
Proceeds from convertible notes payable	-	-	2,780,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,011,385</u>
NET CHANGE IN CASH	\$ 617,628	\$ (84,360)	932,204
CASH AT BEGINNING	314,576	702,388	-
CASH AT END	<u>\$ 932,204</u>	<u>\$ 618,028</u>	<u>\$ 932,204</u>

The accompanying notes are an integral part of these statements

ASIA BROADBAND, INC.
Note to the Financial Statements
For the Quarter Ended March 31, 2018

1. Nature of Business

Asia Broadband, Inc. was incorporated under the laws of the State of Nevada on January 24, 1996 as Gemini Marketing, Inc. The name was changed to Merendon International, Inc. on March 19, 1999 and then to Asia Broadband, Inc. on December 20, 2000. The Company was evaluating a number of different business interests for acquisition during the period from January 24, 1996 to March 19, 1999. The Company's common stock is currently quoted on the OTC Pink operated by OTC Markets Group, Inc. In 2000, the Company initially owned a 75% interest in Shanghai Broadband Network, Inc. ("SBN"), a company formed under the laws of the People's Republic of China by the Company and two independent business partners. The Company increased its interest in SBN to 90% and then to 93% in September 2003, and finally to 96% in May 2004. In 2005, the Company discontinued its involvement with SBN and began evaluating many different business interests for acquisition. In 2015, the Company entered the mining business with operation focused on the production, supply and sale of precious and base metals, primarily to Asian markets. By the end of the fiscal year of 2016, the Company began small scale mining production in Mexico and completed its first mineral sales.

Going Concern

Although the Company obtained debt financing in previous years and had ongoing small scale mining production and mineral sales during the fiscal quarter to continue as a going concern, it has suffered recurring losses and has no assurance of future profitability. The Company may require financing from external sources to finance the expansion of its operating and investing activities despite having positive cash flows from operations in the current fiscal quarter. There is no assurance that financing or profitability will be sustainable, accordingly, there is some concern about the Company's ability to continue as a going concern.

These financial statements have been prepared on the basis that the Company will be able to continue as a going concern and realize its assets and satisfy its liabilities and commitments in the normal course of business and do not reflect any adjustments which would be necessary if the Company is unable to continue as a going concern.

2. Summary of Significant Accounting

Policies Basis of Presentation

These financial statements are prepared in accordance with accounting principles generally accepted in the United States.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires the Company's management to make estimates and

assumptions which affect the amounts reported in these consolidated financial statements, the notes thereto, and the disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The fair value of the Company's financial instruments, which consist of cash, receivables, accounts payable and accrued liabilities, due to related parties and convertible notes payable, approximate their carrying values due to their short term or demand nature with the exception of the convertible notes payable. The fair value of the convertible notes payable was calculated using discounted cash flow analysis and approximates the carrying value as the interest rate implicit in the notes payable is similar to current market rates.

Revenue Recognition

The Company follows the provisions of Staff Accounting Bulletin ("SAB") No. 104 "Revenue Recognition" and Emerging Issues Task Force ("EITF") 00-21 "Accounting for Revenue Arrangements with Multiple Deliverables" for accounting and recognizing revenue. In accordance with SAB No. 104, revenue from the sale of programs and supplemental learning materials is recognized upon delivery of the product when persuasive evidence of an arrangement exists, the price is fixed or determinable and collection is probable. If collectability will not be considered probable, revenue will be recognized when the fee is collected. In an arrangement with multiple deliverables, the Company assesses if the delivered item(s) constitute separate units of accounting in accordance with the following criteria: The deliverable item(s) has value to the customer on a standalone basis, there is objective and reliable evidence of the fair value of the undelivered item, and whether the delivery arrangement is considered probable and substantially in the control of the vendor.

Revenue from enrolment in the educational programs is deferred and recognized as the programs are delivered and services are provided. Annual licensing and franchise fees from registered schools are recognized over the term of the license. The portion of the program revenue allocated to the sales of supplemental learning materials and the revenue from independent sales of these materials will be recognized as the products are delivered and the refundable period has expired. Revenue from basic access fees is deferred and recognized over the term of the service period and when the refundable period has expired.

Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful life of the assets.

Leasehold improvements are depreciated over the lesser of the lease term and the expected useful life of the improvements.

Impairment of Long-Lived Assets and Goodwill

The Company applies the recommendations of the SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 requires that companies (1) recognize an impairment loss only if the carrying amount of a long-lived asset is not recoverable based on its undiscounted future cash flows and (2) measure an impairment loss as the difference between the carrying amount and fair value of the asset. In accordance with

the provisions of SFAS No. 142, management reviews the carrying value of its goodwill annually for indicators of impairment in value. The fair value of the reporting unit is compared to the carrying value in order to determine if impairment exists. Adjustments to reflect impairment in value, if necessary, are recorded to the extent the carrying value of the goodwill exceeds the implied fair value of the reporting unit goodwill.

Stock-Based Compensation

The Company accounts for stock-based employee compensation arrangements in accordance with the provisions of Accounting Principles Board opinion No. 25, "Accounting for Stock Issued to Employees", ("APB No. 25") and complies with the disclosure provisions of SFAS No. 123 "Accounting for Stock-Based Compensation". Under APB No. 25, compensation expense for employee options is recognized based on the difference, if any, on the date of grant between the fair market value of the Company's stock and the amount an employee must pay to exercise the options and acquire the Company's stock. Compensation expense is recognized immediately for past services and pro-rata for future services over the option-vesting period. No compensation expense was recorded under the intrinsic method of accounting in the reporting periods as the exercise price equaled the fair value of the Company's stock. The Company applies SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") to account for stock options granted to non-employees using the fair value based method prescribed in SFAS 123. Stock-based compensation for non-employees is re-measured on each balance sheet date until such options vest. Compensation expense is recognized immediately for past services and pro-rata for future services over the option-vesting period.

In December 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure, an amendment to SFAS No. 123". This statement amends SFAS No. 123 to provide alternative methods of transition for a voluntary change to the fair value-based method of accounting for stock-based employees' compensation. In addition, this statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures of pro-forma information in both annual and interim financial statements.

Research and Development

Research and development costs are charged to operations as incurred.

Loss Per Share

Loss per share is computed in accordance with SFAS No. 128, "Earnings Per Share". Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution of securities that could share in earnings of an entity. In loss periods, dilutive common equivalent shares are excluded as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented in these consolidated financial statements.

Comprehensive Income

SFAS No. 130, "Reporting Comprehensive Income", establishes standards for reporting and presentation of comprehensive income (loss). This standard defines comprehensive income as the changes in equity of an enterprise except those resulting from stockholder transactions.

Income Taxes

Income taxes are accounted for using the liability method which requires the recognition of income taxes payable or refundable for the current year and deferred tax liabilities and assets for the future consequences of events that have been recognized in the Company's financial statements or tax returns. Under this method, tax liabilities and assets are determined based on the temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. A valuation allowance is recorded to reduce deferred income tax assets recognized by the amount of any deferred income tax benefits that, based on available evidence, could be realized in future tax years.

3. Mineral Properties and Mining Operations

In December of 2015, the Company acquired its initial mineral concessions and licenses encompassing an area of 486 hectares in the Guerrero region of Mexico. Guerrero is known for its production of gold, silver and base metals. The property was acquired as a first step in the evaluation and feasibility process for the Company to commit to expand and develop mineral interests in the area. In March of 2016, the Company acquired an artisan mine and the surrounding property consisting of 2,328 hectares, which are adjacent to the initial property acquisition. The historic mine and property has had underground and surface production processing, on a small scale basis, since 1953. The initial property acquisition combined with the artisan mine property were originally purchased for \$441,396 and, as of March 31, 2018, the Company has capitalized a total of \$778,705 in exploration and development costs associated with the properties.

4. Convertible Notes Payable

In February 2004 and March 2004, the Company issued 1,000,000 units and 145,000 units at a price of \$2 per unit for aggregate gross proceeds of \$2,290,000 to a stockholder and four unaffiliated investors. Each unit consisted of two shares of Class A voting common stock, one Class A common share purchase warrant (the "Equity Warrant"), one convertible debenture with a principal amount of \$1, and one common share purchase warrant (the "Debt Warrant"). Each Equity Warrant entitled the holder to purchase one share of Class A common stock of the Company at \$0.60 per share for a period of two years exercisable commencing on the date which is 18 months after the date of issuance of the Equity Warrant. Each Debt Warrant entitles the holder to purchase one share of Class A voting common stock of the Company at \$1 per share for a period of two years and exercisable commencing on the date which is 18 months after the date of issuance of the Debt Warrant. Each of the \$1,000,000 and \$145,000 convertible debentures associated with the units issued had an interest rate of 2% per annum and a two year term to maturity. On January 15, 2016, the remaining outstanding debenture amount of \$311,007 was acquired by Whitecastle Capital Corp. and as of March 31, 2018, the total amount of the debt outstanding with accrued interest was \$326,511.

On December 2, 2015, the Company received \$185,000 from Rivmar North America LLC for a convertible note with an interest rate of 6.4% per annum. The note has conversion price of \$0.25, after a 2 year period, and a 4 year term to maturity. As of March 31, 2018, the total amount of the note outstanding with accrued interest was \$213,118.

On February 18, 2016, the Company received \$1,450,000 from Time Call North America LLC for a convertible note with an interest rate of 6.4% per annum. The note has conversion price of \$0.25, after a 2 year period, and a 4 year term to maturity. As of March 31, 2018, the total amount of the note outstanding with accrued interest was \$1,654,336.

5. Capital Stock

Capital Stock transactions disclosed elsewhere in these financial statements as of March 31, 2018 are summarized as follows:

a) Authorized:

- 500,000,000 Class A voting common shares with a par value of \$0.001 per share
- 500,000,000 Class B non-voting common shares with a par value of \$0.001 per share
- 100,000,000 Preferred shares with a par value of \$0.001 per share
- 1,100,000,000 Total Authorized – all classes

b) Issued:

- 339,540,968 Class A voting common shares with a par value of \$0.001 per share
- 0- Class B non-voting common shares with a par value of \$0.001 per share
- 0- Preferred shares with a par value of \$0.001 per share