

MINERAL MOUNTAIN MINING & MILLING CO
Form 10-Q/A
March 06, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

Amendment Number 1

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended December 31, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-03319

**Mineral Mountain Mining & Milling
Company**

(Exact name of registrant as specified in its charter)

Idaho
(State or Other Jurisdiction of
Incorporation or Organization)

82-0144710
(I.R.S. Employer
Identification Number)

Mineral Mountain Mining & Milling Company

13 Bow Circle, Suite 170

Hilton Head, South Carolina 29928

(917) 587-8153

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

(Former name and former address, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|----|---------------------------|----|
| Large accelerated filer | .. | Accelerated filer | .. |
| Non-accelerated filer | x | Smaller reporting company | x |
| Emerging growth company | x | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. "

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes " No x

As of March 4, 2019, there were **66,619,733** shares of the issuer's common stock outstanding.

Explanatory Note

Mineral Mountain Mining & Milling Company (“we”, “our”, the “Company”) is filing this Amendment No. 1 on Form 10-Q/A (the “Amendment”) to restate portions of the following items of our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2018, which we originally filed with the Securities and Exchange Commission on February 14, 2019 (the “Original Form 10-Q”):

- (i) Item 1 of Part I “Financial Statements”
- (ii) Item 2 of Part I “Management’s Discussion and Analysis of Financial Condition and Results of Operations”
- (iii) Item 6 of Part II “Exhibits”

We have also updated the signature page, the certifications of our Chief Executive Officer and Chief Financial Officer in Exhibits 31.1 and 32.1, and our financial statements formatted in Extensible Business Reporting Language (XBRL).

In November 2018, information came to the attention of Company management that led it to investigate whether one of the Company’s property and mineral leases, its Alaska Mineral Lease, qualified for early adoption of ASU No. 2016-02, resulting in the recognition of a right of use asset and lease liability in accordance with ASC 842, was the absolute best accounting practice or whether the scope exception applied and the payments should have been expensed as incurred in accordance with the scope exception of ASC 842. Company management concluded on February 14, 2019 and notified the Board that a portion of its financial statements should no longer be relied upon because of a possible error in such financial statements. Company management further concluded that the Company could properly early adopt ASC 842, but that we determined the scope exception applied and that it should account for the Alaska Mineral Lease payments as expenses as incurred pursuant. On February 15, 2019, the Company’s independent registered public accounting firm, Fruci & Associates II, PLLC (“Fruci”), concurred with these conclusions and that the financial statements included in the Original Form 10-Q should be restated and amended to reflect this change.

In the Original Form 10-Q, the Company determined that it had made a possible error in how it implemented ASU No. 2016-02, Leases as it relates to the Alaska Mineral Lease and Option to Purchase. The ASU-842-10-15 scope exception states that the topic does not apply to “Leases to explore for or use minerals, oil, natural gas, and similar nonregenerative resources. This includes rights to explore for those natural resources and rights to use the land in which those natural resources are contained (that is, unless those rights of use include more than the right to explore for natural resources), but not equipment used to explore for the natural resources”. The Company believed that there was an infrastructure asset present on the Company’s leased property in the form of unpaved roads and an exclusive right to use that infrastructure pursuant to the terms of the Alaska Mineral Lease that met the requirement that the lease include more than the right to explore for natural resources. Company Management has since determined that this infrastructure asset may not meet that criteria, and as a result the Company has restated the accompanying

financial statements to reflect this change (See Note 3 of the accompanying Financial Statements for a summary of the changes to the financial statements).

This report on Form 10-Q/A has been signed as of a current date and all certifications of the Company's Chief Executive/Financial Officer are given as of a current date. Except as discussed above and as further described in Notes 2, 3, 4, 9 and 10 to the consolidated financial statement, the Company has not modified, or updated disclosures presented in this Amendment. Accordingly, the Amendment does not reflect events occurring after the Original Form 10-Q or modify or update those disclosures affected by subsequent events. Information not affected by the restatement is unchanged and reflects disclosures made at the time of the filing of the Original Form 10-Q.

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements (Restated)****MINERAL MOUNTAIN MINING AND MILLING COMPANY
CONSOLIDATED BALANCE SHEETS (RESTATED)**

| | December 31 2018 (Unaudited and Restated) | September 30 2018 (Restated) |
|--|--|---|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 41,671 | \$ 1,900 |
| Total Current Assets | 41,671 | 1,900 |
| TOTAL ASSETS | \$ 41,671 | \$ 1,900 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 16,685 | \$ 21,084 |
| Accrued interest | 7,500 | 8,002 |
| Deferred payroll | 47,970 | 74,257 |
| Notes payable – related party | 57,000 | 57,000 |
| Convertible debt, net | 5,351 | - |
| Derivative liability | 95,405 | - |
| Total Current Liabilities | 229,911 | 160,343 |
| TOTAL LIABILITIES | 229,911 | 160,343 |
| COMMITMENTS AND CONTINGENCIES | - | - |
| STOCKHOLDERS' EQUITY | | |
| Preferred stock, \$.10 par value, 10,000,000 shares authorized, none issued and outstanding | - | - |
| Common stock, \$.001 par value, 100,000,000 shares authorized; 64,371,162 and 60,436,162 shares issued and outstanding | 64,371 | 60,436 |
| Additional paid-in capital | 3,074,665 | 2,752,600 |
| Shares to be issued | - | 55,000 |
| Accumulated deficit | (3,327,276) | (3,026,479) |
| Total Stockholders' Deficit | (188,240) | (158,443) |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | \$ 41,671 | \$ 1,900 |

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

MINERAL MOUNTAIN MINING AND MILLING COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS

(RESTATED)

| | Three Months ended December 31 | |
|--|-------------------------------------|-------------------------------------|
| | 2018 (Unaudited and Restated) | 2017 (Unaudited and Restated) |
| REVENUES | \$ - | \$ - |
| OPERATING EXPENSES | | |
| Professional fees | 55,542 | 14,325 |
| General and administrative | 78,591 | 34,757 |
| Officers' fees | 99,110 | - |
| Mineral property expense | 27,301 | - |
| TOTAL OPERATING EXPENSES | 260,544 | 49,082 |
| LOSS FROM OPERATIONS | (260,544) | (49,082) |
| OTHER INCOME (EXPENSES) | | |
| Interest expense | (4,848) | (1,302) |
| Loss on issuance of convertible debt | (71,158) | - |
| Gain on revaluation of derivative | 35,753 | - |
| TOTAL OTHER INCOME (EXPENSES) | (40,253) | (1,302) |
| LOSS BEFORE TAXES | (300,797) | (50,384) |
| INCOME TAXES | - | - |
| NET LOSS | \$ (300,797) | \$ (50,384) |
| NET LOSS PER COMMON SHARE, BASIC AND DILUTED | \$ (0.00) | \$ (0.00) |
| WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED | 65,592,829 | 55,882,829 |

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

**MINERAL MOUNTAIN MINING AND MILLING COMPANY
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**

(RESTATED)

| | Common Stock | | Additional | Accumulated | Shares | Total |
|---|---------------|-----------|--------------------|----------------|-----------------|-------------------------|
| | Shares | Amount | Paid-in Capital | Deficit | to be Issued | Stockholders' Equity |
| Balance, September 30, 2016 | 48,816,162 | \$ 48,816 | \$ 2,349,186 | \$ (2,409,117) | \$ 40,000 | \$ 28,885 |
| Common stock issued for cash | 3,000,000 | 3,000 | 50,333 | | (40,000) | 13,333 |
| Common stock issued for services | 2,000,000 | 2,000 | 38,000 | | | 40,000 |
| Warrants | | | 6,667 | | | 6,667 |
| Net loss for period ending September 30, 2017 | - | - | - | (154,028) | - | (154,028) |
| Balance, September 30, 2017 | 53,816,162 | \$ 53,816 | \$ 2,444,186 | \$ (2,563,145) | - | \$ (65,143) |
| Common stock issued for cash | 3,700,000 | 3,700 | 127,801 | | | 131,501 |
| Net loss for period ending December 31, 2017 | | | | (50,384) | | (50,384) |
| Balance, December 31, 2017 (Unaudited) | \$ 57,516,162 | \$ 57,516 | \$ 2,571,987 | \$ (2,613,529) | - | \$ (15,974) |
| Common stock issued for cash | 2,060,000 | 2,060 | 90,539 | | 55,000 | 279,100 |
| Common stock issued for services | 300,000 | 300 | 45,200 | | | 45,500 |
| Common stock issued for reimbursement of mineral claims | 500,000 | 500 | 4,540 | | | 5,040 |
| | - | - | 39,194 | | | 39,194 |

| | | | | | | |
|---|---------------|-----------|--------------|----------------|-----------|--------------|
| Warrants issued for directors' fees | | | | | | |
| Exercise of warrants | 60,000 | 60 | 1,140 | | | 1,200 |
| Net loss for period ending September 30, 2018 | - | - | - | (463,334) | - | (463,334) |
| Balance, September 30, 2018 | 60,436,162 | \$ 60,436 | \$ 2,752,600 | \$ (3,026,479) | \$ 55,000 | \$ (158,443) |
| Common stock issued for cash | 3,925,000 | 3,925 | 170,075 | | (55,000) | 119,000 |
| Common stock issued for services | 200,000 | 200 | 49,800 | | | 50,000 |
| Common stock issued for director's fees | 110,000 | 110 | 21,890 | | | 22,000 |
| Common stock issued for officer's fees | 4,000,000 | 4,000 | 76,000 | | | 80,000 |
| Rescinded shares | (4,300,000) | (4,300) | 4,300 | | | - |
| Net loss for period ending December 31, 2018 | | | | (300,797) | | (300,797) |
| Balance, December 31, 2018 (Unaudited) | \$ 64,371,162 | \$ 64,371 | \$ 3,074,665 | \$ 3,327,276 | \$ - | \$ (188,240) |

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

**MINERAL MOUNTAIN MINING AND MILLING COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS**

(RESTATED)

| | Three Months Ended December 31, | |
|---|--|-------------------------------------|
| | 2018 | 2017 |
| | (Restated and Unaudited) | (Restated and Unaudited) |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ (300,797) | \$ (50,384) |
| Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities: | | |
| Amortization of debt discount | 5,351 | - |
| Common stock issued for services | 50,000 | - |
| Common stock issued for officers' and directors' fees | 22,000 | - |
| Loss on issuance of convertible debt | 71,158 | - |
| Gain on revaluation of derivative liabilities | (35,753) | - |
| Changes in assets and liabilities: | | |
| Decrease (increase) in prepaid expense | - | (1,397) |
| Increase (decrease) in accounts payable | (4,339) | (10,803) |
| Increase (decrease) in accrued interest | (502) | 1,302 |
| Decrease (increase) in deferred payroll | 53,713 | - |
| Net cash used by operating activities | (139,229) | (61,282) |
| | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from sale of common stock and warrants | 119,000 | 131,500 |
| Proceeds from convertible debt | 60,000 | - |
| Net cash provided by financing activities | 179,000 | 131,500 |
| INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS | 39,771 | 70,218 |
| Cash, beginning of period | 1,900 | 5,011 |
| Cash, end of period | \$ 41,671 | \$ 75,229 |
| SUPPLEMENTAL CASH FLOW INFORMATION: | | |
| Interest paid | \$ - | \$ - |
| Income taxes paid | \$ - | \$ - |

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

Notes to Condensed Consolidated Financial Statements

(Unaudited)

December 31, 2018 (Restated and as Filed in the Company's Form S-1/A, Dated March 1, 2019)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Mineral Mountain Mining & Milling Company ("the Company") was incorporated under the laws of the State of Idaho on August 4, 1932 and is publicly held. The Company was incorporated for the purpose of mining and exploring for non-ferrous and precious metals, primarily silver, lead and copper. The Company has two wholly owned subsidiaries, Nomadic Gold Mines, Inc., an Alaska corporation, and Lander Gold Mines, Inc., a Wyoming corporation. The Company currently holds 66 claim blocks in Alaska, through its subsidiary, Nomadic Gold Mines, Inc.

The foregoing unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles in the United States of America for complete financial statements. These unaudited interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2018. In the opinion of management, the unaudited interim financial statements furnished herein includes all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented. Operating results for the three month period ended December 31, 2018 are not necessarily indicative of the results that may be expected for the year ending September 30, 2019.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (RESTATED)

This summary of significant accounting policies of Mineral Mountain Mining & Milling Company and its two wholly owned subsidiaries is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States and have been consistently applied in the preparation of the financial statements.

Fair Value of Financial Instruments

The Company's financial instruments as defined by ASC 825-10-50, include cash, receivables, accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at September 30, 2018 and December 31, 2018.

The standards under ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. FASB ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little of no market data, which require the reporting entity to develop its own assumptions.

The Company has convertible debt of \$5,351 measured at fair value at December 31, 2018.

Going Concern

As shown in the accompanying financial statements, the Company has incurred cumulative operating losses since inception. As of December 31, 2018, the Company has limited financial resources with which to achieve its objectives and attain profitability and positive cash flows from operations. As shown in the accompanying balance sheets and statements of operations, the Company has an accumulated deficit of \$3,327,276. The Company's working capital deficit is \$188,240.

Achievement of the Company's objectives will depend on its ability to obtain additional financing, to generate revenue from current and planned business operations, and to effectively operating and capital costs.

The Company plans to fund its future operations by potential sales of its common stock or by issuing debt securities. However, there is no assurance that the Company will be able to achieve these objectives, therefore substantial doubt about its ability to continue as a going concern exists.

Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 *Income Taxes – Recognition*. Under the approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard imposed by ASC 740-10-25-5 to allow recognition of such an asset. See Note 9.

NOTE 3 - RESTATEMENT OF FINANCIAL STATEMENTS

In November 2018, information came to the attention of Company management that led it to investigate whether one of the Company’s property and mineral leases, its Alaska Mineral Lease, qualified for early adoption of ASU No. 2016-02, resulting in the recognition of a right of use asset and lease liability in accordance with ASC 842, was the absolute best accounting practice or whether the scope exception applied and the lease payments should have been expensed as incurred in accordance with the scope exception of ASC 842. Company management concluded on February 14, 2019 and notified the Board that a portion of its financial statements should no longer be relied upon because of an error in such financial statements. Company management further concluded that the Company could properly early adopt ASC 842, but that we determined the scope exception applied and that it should account for the Alaska Mineral Lease payments as expenses as incurred pursuant to the scope exception of ASC 842. On February 15, 2019, the Company’s independent registered public accounting firm, Fruci & Associates II, PLLC (“Fruci”), concurred with these conclusions and that the financial statements should be amended to reflect this change, including in the financial statements for the quarter ending December 31, 2018.

The Company determined that it had made an error in how it implemented ASU No. 2016-02, Leases as it relates to the Alaska Mineral Lease and Option to Purchase. The ASU-842-10-15 scope exception states that the topic does not apply to “Leases to explore for or use minerals, oil, natural gas, and similar nonregenerative resources. This includes rights to explore for those natural resources and rights to use the land in which those natural resources are contained (that is, unless those rights of use include more than the right to explore for natural resources), but not equipment used to explore for the natural resources.” The Company believed that there was an infrastructure asset present on the Company’s leased property in the form of unpaved roads and an exclusive right to use that infrastructure pursuant to the terms of the Alaska Mineral Lease that met the requirement that the lease include more than the right to explore for natural resources. Company Management has since determined that this infrastructure asset may not meet that criteria, and as a result the Company has restated the accompanying financial statements to reflect this change.

The effects of the adjustments on the Company’s previously issued financial statements for the quarters ended December 31, 2018 and December 31, 2017 are summarized as follows:

| Consolidated Balance Sheets (Restated) | Originally Reported | Restatement Adjustment | As Restated |
|--|--------------------------------|-----------------------------------|--------------------|
| As of December 31, 2017 | | | |
| Investment in mineral lease | \$ 336,000 | \$ (336,000) | \$ - |
| Mineral lease, net | \$ 176,818 | \$ (176,818) | \$ - |
| Accrued lease payments | \$ 10,000 | \$ (10,000) | \$ - |
| Long term mineral lease liability | \$ 232,318 | \$ (232,318) | \$ - |
| Accumulated deficit | \$ (2,343,029) | \$ (270,500) | \$ (2,613,529) |
| Earnings per share | \$ - | \$ - | \$ - |
| Consolidated Statements of Operations | | | |
| For the quarter ended December 31, 2017 | | | |
| Mineral Property Expense | \$ 10,000 | (10,000) | - |
| Total operating expenses | \$ 59,082 | \$ (10,000) | \$ 49,082 |
| Consolidated Statements of Cash Flows | | | |
| For the quarter ended December 31, 2017 | | | |
| Decrease in accounts payable | \$ (2,200) | \$ (8,603) | \$ (10,803) |

| Consolidated Balance Sheets (Restated) As of December 31, 2018 | Originally Reported | Restatement Adjustment | As Restated |
|---|--------------------------------|-----------------------------------|--------------------|
| Investment in mineral lease | \$ 336,000 | \$ (336,000) | \$ - |
| Mineral lease, net | \$ 101,498 | \$ (101,498) | \$ - |
| Long term mineral lease liability | \$ 216,817 | \$ (216,817) | \$ - |
| Accumulated deficit | \$ (3,106,595) | \$ (270,681) | \$ (3,327,276) |
| Earnings per share | \$ - | \$ - | \$ - |

A discussion of the Company's improvements in its disclosure controls and procedures is contained in Item 9A of the "Controls and Procedures" section in the Company's Amended Annual Report on Form 10-K/A for the year ending September 30, 2018.

NOTE 4 – MINING CLAIMS AND LAND (RESTATED)

Alaska Mineral Lease and Option to Purchase

On April 5, 2016, the Company signed a Lease Agreement with Option to Purchase thirty contiguous mining claims known as the Caribou Mining Claims consisting of 4,800 acres in the State of Alaska. The agreement consists of two parts, an Option to Purchase and until such time as the Option to Purchase is exercised, the Agreement is considered a lease. This was a related party transaction.

Option to Purchase

The Option to Purchase may be exercised without pre-payment penalty at any time prior to the ninth anniversary of the effective date of the agreement which would be April 5, 2025 by remitting \$5,000,000. In order to maintain the Option to Purchase the Company must make expenditures for work on the property as follows:

| Work Expenditure Commitments Due Before | Amount |
|--|---------------|
| December 1, 2019 | \$ 150,000 |
| December 1, 2020 | 250,000 |
| December 1, 2021 | 500,000 |

| | |
|------------------|---------------------|
| December 1, 2022 | 1,000,000 |
| December 1, 2023 | 1,000,000 |
| December 1, 2024 | 1,000,000 |
| Total | \$ 3,900,000 |

Lease

In order to maintain the Option to Purchase the Company shall make the following lease payments.

| Date Due | Lease Payment Obligations | Amount |
|--|----------------------------------|-------------------|
| April 5, 2016 | | \$ 20,000 |
| April 5, 2016 | | 5,000 |
| April 5, 2019 | | 10,000 |
| April 5, 2020 | | 20,000 |
| April 5, 2021 | | 40,000 |
| April 5, 2022 | | 70,000 |
| April 5, 2023 | | 100,000 |
| Total | | \$ 265,000 |
| Paid during year ended September 30, 2017 | | 0 |
| Balance at September 30, 2017 | | \$ 240,000 |
| Paid during year ended September 30, 2018 | | 0 |
| Balance at September 30, 2018 | | \$ 240,000 |
| Paid during the period ended December 31, 2018 | | 0 |
| Balance at December 31, 2018 | | 240,000 |

There was additional consideration of 11,200,000 shares of common stock valued at \$336,000 recorded as mineral property expense.

In addition, under the agreement a royalty equal to two percent (2%) of the net smelter returns derived by the Company shall be payable, without regard to whether the Option to Purchase has been exercised. No royalties have been incurred as of December 31, 2018 or September 30, 2018.

On August 17, 2018, the Company agreed to an amendment to Lease Agreement with Option to Purchase, with effect on April 18, 2016, for the Caribou Mining Claims modifying the payment schedules for the lease payments and option to purchase to accommodate the Company's efforts to secure additional capital investment for the Caribou Mining Claims resulting in significant savings and flexibility to the Company.

Lewis Mineral Lease and Option to Purchase

On December 18, 2017, the Company signed a Lease Agreement with Option to Purchase sixteen unpatented mining claims known as the Lewiston Claims and three patented mining claims known as the Hidden Hand, Morris and Casselton Claims, located in the State of Wyoming. The agreement consists of two parts, an option to purchase and until such time as the Option to Purchase is exercised, the Agreement is considered a lease.

Option to Purchase

The Option to Purchase may be exercised without pre-payment penalty at any time prior to the seventh anniversary of the effective date of the agreement which would be December 18, 2024 by remitting \$1,000,000. In order to maintain the Option to Purchase the Company must make six annual payments all of which will be credited to the purchase price beginning on December 18, 2018 and continuing until December 18, 2023.

Lease

In order to maintain the Option to Purchase the Company shall make the following lease payments.

Lease Payment Obligations

| Date Due | Amount |
|-------------------|-------------------|
| June 18, 2018 | \$ 20,000 |
| December 18, 2018 | 30,000 |
| December 18, 2019 | 30,000 |
| December 18, 2020 | 30,000 |
| December 18, 2021 | 30,000 |
| December 18, 2022 | 30,000 |
| December 18, 2023 | 30,000 |
| Total | \$ 200,000 |

The parties to the lease amended the payment schedule to indefinitely defer \$35,000 in lease payments from the June 18, 2018 and December 18, 2018 payment periods.

There was additional consideration of 500,000 warrants to purchase shares of common stock value.

In addition, under the agreement a royalty equal to three percent (3%) of the net smelter returns derived by the Company shall be payable, without regard to whether the Option to Purchase has been exercised. No royalties have been incurred as of December 31, 2018.

The parties to the lease amended the payment schedule to defer \$7,500 in lease payments indefinitely.

Helen G Mineral Lease

On March 8, 2018, the Company signed a Lease Agreement for three patented mining claims known as the Helen G. (a/k/a Allen G), Mill and Star Lode Claims, located in the State of Wyoming.

Under the agreement a royalty shall be paid as follows:

- *Ιφ της μοντηλης αφεραγε περ τροψ ουνχε οφ γολδ ις οπερ Ξ1,500 της ροψαλτη σηαλλ βε 3.5% οφ νετ σμελτερ ρετυρνς.*

No royalties have been incurred as of December 31, 2018.

Lease

In order to maintain its lease the Company shall make a \$2,500 advance royalty payments at execution of the agreement and on each yearly anniversary for as long as the agreement is in effect. These advance royalty payments will be credited to the production royalty payments owed above. The failure of the Company to timely tender the advance royalty payment may terminate this lease.

NOTE 5 – EQUITY PURCHASE AGREEMENT

The Company entered into an Equity Purchase Agreement, dated as of October 1, 2018 (the “Equity Purchase Agreement”), by and between the Company and Crown Bridge Partners, LLC (the “Crown Bridge”) pursuant to which the Company has agreed to issue to Crown Bridge shares of the Company’s Common Stock, \$0.001 par value (the “Common Stock”), in an amount up to Five Million Dollars (\$5,000,000.00) (the “Shares”), in accordance with the terms of the Equity Purchase Agreement. In connection with the transactions contemplated by the Equity Purchase Agreement, the Company is required to register with the SEC the following shares of Common Stock: (1) 8,000,000 Put Shares to be issued to the Investors upon purchase from the Company by the Investors from time to time pursuant to the terms and conditions of the Equity Purchase Agreement; (2) 1,428,571 shares of Common Stock to be issued by the Company to the Investors as a commitment fee pursuant to the Equity Purchase Agreement; and (3) the Company also has entered into a Registration Rights Agreement, of even date with the Equity Purchase Agreement with the

Investors (the “Registration Rights Agreement”) pursuant to which the Company agreed, among other things, to register the Put Shares under the Securities Act of 1933, as amended (the “Securities Act”) relating to the resale of the Put Shares.

The Company intends to use the proceeds of the revolving credit line for general corporate purposes, which may include (i) acquisitions, (ii) refinancing or repayment of indebtedness, (iii) capital expenditures and working capital, (iv) investing in equipment and property development (which may include funding associated with exploration), and (v) pursuing other business opportunities both related and unrelated to our existing mining activities.

NOTE 6 – CONVERTIBLE DEBT

On or about November 27, 2018, the Company issued a convertible promissory note with Power Up Lending Group Ltd. (“Power Up”) for the principal sum of \$63,000.00, together with interest, with a maturity date of November 27, 2019. The Company agreed to pay interest on the unpaid principal balance at the rate of 12% per annum from the date thereof until the same becomes due and payable, whether at maturity or upon acceleration or by prepayment. Power Up has the right at any time during the period beginning 180 days following the date of the Note to convert all or any part of the outstanding and unpaid principal amount of the Note into fully paid and non-assessable shares of Common Stock. The conversion price shall be equal to the Variable Conversion Price, which is 58% multiplied by the Market Price (representing a discount rate of 42%), in which Market Price is the average of the lowest two (2) Trading Prices for the Company’s Common Stock during the preceding 15 trading day period prior to the Conversion Date. The Company paid \$3,000 as a fee which is recorded as a debt discount and being amortized over the life of the loan.

The conversion feature of the note represents an embedded derivative. A derivative liability with an intrinsic value of \$0.1770 was \$131,158 using a binomial pricing model and was calculated as a discount to the note. That amount is recorded as a new contra-note payable amount (similar to the recorded OID and transaction costs and amounts discussed immediately below), but only for an amount not in excess of and thus capped by the otherwise undiscounted amount of the note payable. Because of the derivative nature of the \$131,158 valuation of the conversion feature, \$71,158 is recorded as an expense in the current period and reported as a loss on issuance of convertible debt.

NOTE 7 – COMMON STOCK

Upon formation the authorized capital of the Company was 2,000,000 shares of common stock with a par value of \$.05, in 1953 the Company increased the authorized capital to 3,000,000 shares of common stock, in 1985 the authorized capital was again increased to 10,000,000 shares of common stock, and in 2014 the Company increased the authorized capital to 100,000,000 shares of common stock with a par value of \$.001 and 10,000,000 shares of preferred stock with a par value of \$.10.

During the year ended September 30, 2018, the Company issued 5,760,000 shares of common stock for cash of \$224,100; 1,275,000 shares of common stock for cash of \$55,000 that were unissued as of September 30, 2018; 300,000 shares of common stock for services valued at \$45,500; and 500,000 shares of common stock for reimbursement of mineral claim fees. Additionally, 280,000 warrants were issued for directors fees at an exercise price of \$0.02 and a term of two years. The fair value of the warrants was estimated using the Black Scholes Option Price Calculation. The following assumptions were made to value the warrants on the date of issuance: strike price of \$0.02, risk free interest rate of 1.99%, expected life of two years, and expected volatility of 495.28%. The fair value of the warrants totaled \$39,194 at the issuance date and this amount was recorded as equity. Also during the period 60,000 options were exercised at a price of \$.02 for cash in the amount of \$1200.00

During the three month period ended December 31, 2018, the Company issued 2,650,000 shares of common stock for cash of \$119,000; 1,275,000 shares that were paid for but unissued as of September 30, 2018; 200,000 shares of common stock for services valued at \$50,000; 110,000 shares for directors’ fees valued at \$22,000; and 4,000,000 shares for settlement of accumulated officers’ fees valued at \$80,000.

Additionally, in 2016, former management of the Company negotiated a contract with M6 Limited, a stock promotion company, in which M6 would collectively receive an advanced payment of 4.3 million shares of Company common stock for certain promotional services. M6 itself received 2 million shares, an affiliated company, Maximum Harvest LLC, received 1.3 million shares and an affiliate of M6, Hahn M. Nguyen, received 1 million shares. In 2018, current management determined that it was not in the best interest of the Company to pursue the services and therefore terminated the contract with M6. The 4.3 million shares of common stock have been rescinded and, with the consent of M6, the process for the physical return of the shares is near completion.

The following warrants were outstanding at December 31, 2018:

| Warrant Type | Warrants | Exercise | Expiration |
|---------------------|-----------------|-----------------|-------------------|
|---------------------|-----------------|-----------------|-------------------|

| | Issued and | Price | Date |
|--------------------|------------|---------|---------------|
| Unexercised | | | |
| Warrants | 1,000,000 | \$ 0.05 | December 2021 |
| Warrants | 500,000 | \$ 0.10 | December 2021 |
| Warrants | 220,000 | \$ 0.02 | January 2020 |

NOTE 8 – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2016 the Company issued a note payable to a family member of an officer in the amount of \$15,000. \$3,000 was converted to 300,000 shares of common stock and \$5,000 was repaid in cash. The note bears interest at a rate of 10% beginning on July 24, 2016 and, in the event of demand for payment, a default interest rate of 15% applies. The balance of principal and interest at December 31, 2018 and September 30, 2018 was \$9,967 and \$9,660, respectively.

Also during the year ended September 30, 2016, the Company through its wholly owned subsidiary, Nomadic Gold Mines, Inc, entered into a lease agreement with option to purchase with Ben Porterfield, a related party. See Note 4.

During the year ended September 30, 2017 the Company issued two notes payable to Premium Exploration Mining in the amount of \$35,000 and \$15,000 each having an interest rate of 5%, the balance of principal and interest at December 31, 2018 and September 30, 2018 was \$57,127 and \$55,342, respectively, the companies had directors in common until October 31, 2018.

A family member of an officer provides investor relations consulting services and other administrative functions to the Company, during the period ended December 31, 2018, \$10,000 was paid in cash for consulting; during the period ended December 31, 2017, \$4,500 was paid in cash for consulting.

NOTE 9 – INCOME TAXES (RESTATED)

Topic 740 in the Accounting Standards Codification (ASC 740) prescribes recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At December 31, 2018 the Company had taken no tax positions that would require disclosure under ASC 740.

The Company files income tax returns in the U.S. federal jurisdiction and the State of Idaho. The Company is currently in arrears in filing their federal and state tax returns, both jurisdictions statute of limitations of three years does not begin until the tax returns are filed.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes.

Significant components of the deferred tax assets at an anticipated tax rate 21% for the period ended December 31, 2018 and September 30, 2018 are as follows:

| | December 31, | September 30, |
|--|---------------------|----------------------|
| | 2018 | 2018 |
| Net operating loss carryforwards | 3,327,276 | 3,026,479 |
| Deferred tax asset | 1,031,937 | 968,769 |
| Valuation allowance for deferred asset | (1,031,937) | (968,769) |
| Net deferred tax asset | - | - |

At December 31, 2018 and September 30, 2018, the Company has net operating loss carryforwards of approximately \$3,327,276 and \$3,026,479 which will begin to expire in the year 2031. The change in the allowance account from September 30, 2018 to December 31, 2018 was \$63,168.

On December 22, 2017 H.R. 1, originally known as the Tax Cuts and Jobs Act, (the “Tax Act”) was enacted. Among the significant changes to the U.S. Internal Revenue Code, the Tax Act lowered the U.S. federal corporate income tax rate (“Federal Tax Rate”) from 35% to 21% effective January 1, 2018. The Company will compute its income tax expense for the December 31, 2017 fiscal year using a Federal Tax Rate of 21%. The remeasurement of the deferred tax assets

resulted in a \$99,337 reduction in tax assets to \$1,031,937 from an estimate of \$1,131,274 that the assets would have been using a 35% effective tax rate.

NOTE 10 – SUBSEQUENT EVENTS (RESTATED)

On or about October 1, 2018, the Company entered into an Equity Purchase Agreement, by and between the Company and Crown Bridge Partners, LLC (see Note 4 above for a discussion of this Agreement), and on or about November 27, 2018, the Company issued a convertible promissory note with Power Up Lending Group Ltd. (“Power Up”) for the principal sum of \$63,000.00 (see Note 5 above for a discussion of this Agreement).

Pursuant to a Board of Directors resolution dated November 8, 2018, the Board of Directors authorized the Company to investigate and negotiate a merger with Newco, two newly formed corporate entities with unrelated businesses. The investigation is continuing and negotiations for a proposed merger have not commenced.

Pursuant to a Board of Directors resolution dated December 13, 2018, the Company was authorized to renew the contract with Peter Papasavas of Papasavas Law Group, LLC to act as outside general counsel to provide legal services for a flat fee of one million shares issued upon an agreed upon date and the payment of a retainer in the amount of \$10,000 in January 2019, and an additional nine (9) monthly installments of \$5,000.

In November 2018, information came to the attention of Company management that led it to investigate whether one of the Company’s property and mineral leases, its Alaska Mineral Lease, qualified for early adoption of ASU No. 2016-02, resulting in the recognition of a right of use asset and lease liability in accordance with ASC 842, was the absolute best accounting practice or whether the scope exception applied and the lease payments should have been expensed as incurred in accordance with the scope exception of ASC 842. Company management concluded on February 14, 2019 and notified the Board that a portion of its financial statements should no longer be relied upon because of an error in such financial statements. Company management further concluded that the Company could properly early adopt ASC 842, but that we determined the scope exception applied and that it should account for the Alaska Mineral Lease payments as expenses as incurred pursuant to the scope exception of ASC 842. On February 15, 2019, the Company’s independent registered public accounting firm, Fruci & Associates II, PLLC (“Fruci”), concurred with these conclusions and that the financial statements should be amended to reflect this change, including in the financial statements for the quarter ending December 31, 2019. See Note 3.

Management has evaluated subsequent events through the date these financial statements were available to be issued. Based on our evaluation no other material events have occurred that require disclosure.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Restated)

General

The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with our financial statements and the notes to those statements. In addition to historical financial information, this discussion contains forward-looking statements reflecting our management's current expectations that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed under the heading "Risk Factors" in our Consolidated Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on January 15, 2019.

Company Goals and Objectives

Mineral Mountain currently has leases and staked claims at two properties, the Iditarod Gold Project in Flat, Alaska and Lewiston, in Fremont County, Wyoming near the South Pass. Flat is Alaska's third largest placer gold district. Mineral Mountain, through its wholly owned subsidiary, Nomadic Gold Mines, Inc., has leases on thirty claim blocks and has separately staked thirty-six claims adjacent thereto. All of the property is on State of Alaska land.

Mineral Mountain also has leases through its wholly owned subsidiary, Lander Gold Mines, Inc., near Lewiston, Wyoming. It has leases on nineteen claim blocks (three patented and sixteen unpatented) and intends to stake or acquire additional claims adjacent to or nearby the leased claims. Aside from the three patented claims, the remainder of the leased claims is on land managed by the Bureau of Land Management. The leased claims are within close proximity to a permitted mill available for processing on a per ton basis.

The Company's long-term goals are: (i) to develop both properties; (ii) to position the Company for a possible acquisition by a major mining company; and (iii) to pursue other business opportunities, including actively pursuing mergers and/or acquisitions, both related and unrelated to our existing mining activities with the view of generating cash flow from operations, which our existing mining activities have not accomplished. The short-term goal is to: (i) complete raising funds privately for the immediate development of the Hidden Hand Mine, one of the patented claim blocks the Company leases on the Wyoming property, and (ii) to increase the number of claims under its control. We estimate that the budget for doing so is \$1,804,000; \$1,573,000 of that would be for development costs and \$231,000 of that would be for operating costs. To the extent commercial mineralization is located and exploited, any resulting profits would then be invested in the development of the Iditarod Gold Project. The two year operational budget for that Project is expected to amount to \$2,970,000. The Company is also actively investigating and evaluating merger

opportunities with other companies, including some outside the mining area.

Overview

Mineral Mountain is an early stage mineral exploration company. Our primary expenditures at this stage consist of payment of various governmental fees to maintain the priority of our unpatented mining claims, payment of our debt service, payment of exploration services, payment of accounting and legal fees, and general office expenses.

Mineral Mountain's losses for the three month periods ended December 31, 2018 and December 31, 2017 were \$300,797 and \$50,384, respectively. Mineral Mountain's loss for the three month period ended December 31, 2018 is due primarily to operating expenses in four categories: general and administrative expenses of \$78,591; legal and professional fees of \$55,542; officers' fees of \$99,110; and mineral property option expense of \$27,301. Mineral Mountain's loss for the three month period ended December 31, 2017 is due primarily to operating expenses in two categories: general and administrative expenses of \$34,757 and professional fees of \$14,325.

Mineral Mountain's primary, near term business objective is to raise sufficient capital to retain Mineral Mountain's current mineral properties, to explore them and acquire additional projects, and to pay general and administrative expenses. Mineral Mountain had budgeted approximately \$450,000 for the year ending 2018 to cover Mineral Mountain's accounting and legal fees and general and administrative expenses. Mineral Mountain also estimates that approximately \$500,000 (including lease and claim payments and contractually required work commitments) will be required to fund our operations for the next 12 months assuming minimal exploration activities and excluding the cost of acquisitions.

Mineral Mountain has substantial operational commitments to fund in order to maintain Mineral Mountain's land holdings. This includes work commitments and lease payment obligations of \$5,240,000 over the course of eight years to maintain the Lease Agreement and Option to Purchase for the State of Alaska claims previously described in this document.

During the fiscal year ended September 30, 2018 and three-month period ended December 31, 2018, our principal sources of liquidity included cash received from related party notes payable, issuance of convertible debt and sales of our common stock. We intend to use new capital in the form of new equity or debt to further advance our objectives. For the three-month periods ended December 31, 2018 and 2017, net cash used by operating activities totaled \$139,229 and \$61,282, respectively. The change between 2017 and 2018 is primarily attributed to the increase in non-cash issuances of common stock for services in 2018 as compared to 2017. Net cash provided by financing activities totaled \$179,000 and \$131,500 for the three-month periods ending December 31, 2018 and 2017, respectively. The change between 2017 and 2018 is primarily attributed to the issuance of convertible debt in 2018. The cash decreased to \$41,671 at December 31, 2018 from \$75,229 at December 31, 2017, principally reflecting the net cash used by operations during the period, offset by the sales of common stock and issuance of convertible debt.

Because Mineral Mountain does not anticipate earning revenues from mining operations in the foreseeable future, Mineral Mountain has sought additional financing from the public or private debt or equity markets to continue to protect Mineral Mountain's properties and to continue exploring and acquiring additional projects. There can be no assurance that Premium Exploration, Mr. Ryan, or others will continue to advance funds to Mineral Mountain or that Mineral Mountain's efforts to obtain additional financing will be successful.

As reflected in our accompanying financial statements, we have limited cash, negative working capital, no revenues and an accumulated deficit of \$3,327,276 and \$3,026,479 for the three-month periods ending December 31, 2018 and September 30, 2018, respectively. These factors indicate that we may be unable to continue in existence in the absence of receiving additional funding. In addition to our operating expenses which average approximately \$25,000 per month, management's plans for the next twelve months include approximately \$2,500,000 of cash expenditures for exploration activity on the Iditarod and Wyoming properties. We believe that we will generate sufficient financing from the Equity Purchase Agreement in order for the Company to continue to operate based on current expense projections. Nevertheless, we are unable to provide assurances that it will be successful in providing sufficient sources of capital. If we fail to raise the necessary funds to continue operations we might be required to significantly reduce the scope or completely cease our operations.

Results of Operations

For the Three Months Ended December 31, 2018 compared with the Three Months Ended December 31, 2017

Net Loss

Net loss for the three months ended December 31, 2018 was \$300,797 compared to net loss of \$50,384 for the three months ended December 31, 2017.

Operating expenses of \$260,544 for the three months ended December 31, 2018 included general and administrative fees of \$78,591, professional fees of \$55,542, officers' fees of \$99,110 and mineral property expense of \$27,301. Operating expenses of \$59,082 for the three months ended December 31, 2017 consist of general and administrative fees of \$34,757 and professional fees of \$14,325.

Revenues

We recorded no revenues for either the three months ended December 31, 2018 or the three months ended December 31, 2017.

Although we continue to engage in negotiations regarding mineral leasing arrangements, pursue a carefully focused development program, and conduct other activities intended to eventually produce operational revenue in the future, no revenue was recognizable for the periods presented.

General and Administrative Expenses

Total general and administrative expenses increased to \$78,591 for the three months ended December 31, 2018 compared to \$44,757 for the three months ended December 31, 2017.

Liquidity and Capital Resources

Our current assets were \$41,671 at December 31, 2018. Working capital was a negative \$188,240 as of December 31, 2018. We believe we have the ability to manage our expenses while we invest in growing our top line and therefore believe that the Company's cash and cash equivalents are sufficient to meet our liquidity needs for at least the next twelve months from the issuance date of this filing.

Cash used in operating activities was approximately \$139,229 for three months ended December 31, 2018, as compared to \$51,282 for the three months ended December 31, 2017. Cash provided by financing activities was approximately \$179,000 for the three months ended December 31, 2018 compared to \$131,500 for the three months ended December 31, 2017.

Contractual Obligations

Other than lease obligations stated above, as of December 31, 2018, we have contractual obligations relating to debt or anticipated debt, as follows:

The Company entered into an Equity Purchase Agreement, dated as of October 1, 2018 (the "Equity Purchase Agreement"), by and between the Company and Crown Bridge Partners, LLC (the "Crown Bridge") pursuant to which the Company has agreed to issue to Crown Bridge shares of the Company's Common Stock, \$0.001 par value (the "Common Stock"), in an amount up to Five Million Dollars (\$5,000,000.00) (the "Shares"), in accordance with the terms of the Equity Purchase Agreement. In connection with the transactions contemplated by the Equity Purchase Agreement, the Company is required to register with the SEC the following shares of Common Stock: (1) 8,000,000 Put Shares to be issued to the Investors upon purchase from the Company by the Investors from time to time pursuant to the terms and conditions of the Equity Purchase Agreement; (2) 1,428,571 shares of Common Stock to be issued by the Company to the Investors as a commitment fee pursuant to the Equity Purchase Agreement; and (3) the Company also has entered into a Registration Rights Agreement, of even date with the Equity Purchase Agreement with the Investors (the "Registration Rights Agreement") pursuant to which the Company agreed, among other things, to register the Put Shares under the Securities Act of 1933, as amended (the "Securities Act") relating to the resale of the Put Shares.

The Company intends to use the proceeds of the revolving credit line for general corporate purposes, which may include (i) acquisitions, (ii) refinancing or repayment of indebtedness, (iii) capital expenditures and working capital, (iv) investing in equipment and property development (which may include funding associated with exploration), and (v) pursuing other business opportunities both related and unrelated to our existing mining activities.

On or about November 27, 2018, the Company issued a convertible promissory note with Power Up Lending Group Ltd. (“Power Up”) for the principal sum of \$63,000.00, together with interest, with a maturity date of November 27, 2019. The Company agreed to pay interest on the unpaid principal balance at the rate of 12% per annum from the date thereof until the same becomes due and payable, whether at maturity or upon acceleration or by prepayment. Power Up has the right at any time during the period beginning 180 days following the date of the Note to convert all or any part of the outstanding and unpaid principal amount of the Note into fully paid and non-assessable shares of Common Stock. The conversion price shall be equal to the Variable Conversion Price, which is 58% multiplied by the Market Price (representing a discount rate of 42%), in which Market Price is the average of the lowest two (2) Trading Prices for the Company’s Common Stock during the preceding 15 trading day period prior to the Conversion Date. The Company paid a fee of \$3,000 related to the convertible debt which is recorded as debt discount and will be amortized over the life of the note.

The following is a listing of loan amounts (all of which are unsecured) due to related parties (each of whom are either a shareholder or related to a shareholder of Mineral Mountain Mining & Milling Company) and the dates that these loans were made to the Company:

| Name | Date | As of | As of |
|--|-------------|--------------------------|---------------------------|
| | | December 31, 2018 | September 30, 2018 |
| | | Amount | Amount |
| Premium Exploration | 03/27/17 | 15,000 | 15,000 |
| | 08/02/17 | 35,000 | 35,000 |
| John J. Ryan, adult son of a former officer and director | 2/23/2016 | 7,000 | 7,000 |
| Total notes payable - shareholders | | \$ 57,000 | \$ 57,000 |

The loan from John J. Ryan bears interest at 10% per annum and is due upon demand. \$3,000 was converted to 300,000 shares of common stock and \$5,000 was repaid in cash. The note bears interest at a rate of 10% beginning on July 24, 2016 and, in the event of demand for payment, a default interest rate of 15% applies. The balance of principal and interest at December 31, 2018 was \$9,967.

We borrowed \$50,000 in loans from Premium Exploration. This amount bears interest at a rate between 5% and 10% per annum. Pursuant to the terms of the loan agreements, interest on the unpaid balance increased from 5% to 10% for the \$35,000 note on August 2, 2018 and interest increased from 5% to 10% for the \$15,000 note on September 27, 2018. The outstanding principal and interest are due, upon demand of payment by Premium Exploration, on July 1, 2019. The outstanding principal will continue to earn 10% interest if demand for payment is not made on July 1, 2019 or in the event of default pursuant to the terms of the agreements. The balance of principal and interest at December 31, 2018 was \$54,895.

Dividend Policy

We have never declared or paid, and do not anticipate declaring or paying, any cash dividends on any of our capital stock. We do not anticipate paying any dividends in the foreseeable future, and we currently intend to retain all available funds and any future earnings for use in the operation of our business and to finance the growth and development of our business. Future determinations as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our operating results, financial condition, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant. Our loan agreements limit our ability to pay dividends or make other distributions or payments on account of our common stock, in each case subject to certain exceptions.

Off-Balance Sheet Arrangements

The Company has not undertaken any off-balance sheet transactions or arrangements. We have no guarantees or obligations other than those which arise out of normal business operations.

Critical Accounting Policies and Estimates

Our significant accounting policies are more fully described in Note 2 to our Unaudited Condensed Consolidated Financial Statements. The preparation of financial statements in conformity with accounting principles generally

accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and the related disclosures of contingent assets and liabilities. Actual results could differ from those estimates under different assumptions or conditions. The Company's significant estimates and assumptions include stock-based compensation, the valuation allowance related to the Company's deferred tax assets revenue recognition, and establishing the fair value of its investments.

Correction of an Error

In November 2018, information came to the attention of Company management that led it to investigate whether one of the Company's property and mineral leases, its Alaska Mineral Lease, qualified for early adoption of ASU No. 2016-02, resulting in the recognition of a right of use asset and lease liability in accordance with ASC 842, was the absolute best accounting practice or whether the scope exception applied and the payments should have been expensed as incurred in accordance with the scope exception of ASC 842. Company management concluded on February 14, 2019 and notified the Board that a portion of its financial statements should no longer be relied upon because of a possible error in such financial statements. Company management further concluded that the Company could properly early adopt ASC 842, but that we determined the scope exception applied and that it should account for the Alaska Mineral Lease payments as expenses as incurred pursuant. On February 15, 2019, the Company's independent registered public accounting firm, Fruci & Associates II, PLLC ("Fruci"), concurred with these conclusions and that the financial statements should be restated and amended to reflect this change.

The Company determined that it had made a possible error in how it implemented ASU No. 2016-02, Leases as it relates to the Alaska Mineral Lease and Option to Purchase. The ASU-842-10-15 scope exception states that the topic does not apply to "Leases to explore for or use minerals, oil, natural gas, and similar nonregenerative resources. This includes rights to explore for those natural resources and rights to use the land in which those natural resources are contained (that is, unless those rights of use include more than the right to explore for natural resources), but not equipment used to explore for the natural resources". The Company believed that there was an infrastructure asset present on the Company's leased property in the form of unpaved roads and an exclusive right to use that infrastructure pursuant to the terms of the Alaska Mineral Lease that met the requirement that the lease include more than the right to explore for natural resources. Company Management has since determined that this infrastructure asset may not meet that criteria, and as a result the Company has restated the accompanying financial statements to reflect this change (See Note 3 of the accompanying Financial Statements for a summary of the changes to the financial statements).

Recent Developments

In the year since Mr. Karasik has taken over as CEO and Chairman, the Company has made significant strides forward. An advantageous lease was executed for the Gyorvary Property, the Company acquired through its wholly owned subsidiary additional claims at the Lewiston, Wyoming site and the lease for the Alaska Property was amended so as to reduce the financial burden on the Company, including reducing the Company's financial obligations as to the Iditarod Gold Project by \$160,000 for the 2018 calendar year. The Company is actively pursuing the staking of additional property adjacent to the Gyorvary Property. Significantly, the Company's financial obligations for calendar year 2018 have been substantially reduced from what they were in the audited period. The Company has also

improved its position in part by raising, during Mr. Karasik's brief tenure, more than \$400,000 in an ongoing private offering, securing an equity line of credit through the Equity Purchase Agreement and getting the Company listed on the OTCQB exchange.

Item 6. Exhibits (Restated)

The following is a list of exhibits filed as part of this Quarterly Report on Form 10-Q.

Exhibit

| No. | |
|-------------|--|
| <u>31.1</u> | <u>Certification of Principal Executive Officer Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002.</u> |
| <u>32.1</u> | <u>Certification of Principal Executive Officer Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.</u> |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

| Signature | Capacity | Date |
|---|---|---------------|
| <i>/s/ Sheldon Karasik</i> Sheldon Karasik | Chief Executive Officer, Chairman and Director (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer) | March 6, 2019 |

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature | Capacity | Date |
|---|--|---------------|
| <i>/s/ Sheldon Karasik</i> Sheldon Karasik | Chief Executive Officer, Chairman and Director (Principal Executive Officer, Principal Financial/Accounting Officer) | March 6, 2019 |

| Signature | Capacity | Date |
|---|-----------------|---------------|
| <i>/s/ Felix Keller</i> Felix Keller | Director | March 6, 2019 |

| Signature | Capacity | Date |
|---|-----------------|---------------|
| <i>/s/ Michael S. Miller</i> Michael S. Miller | Director | March 6, 2019 |