

COLUMBINE VALLEY RESOURCES INC.
FINANCIAL STATEMENTS
(Unaudited)

Balance Sheets – March 31, 2022 and December 31, 2021

Statement of Operations – Three Months Ended March 31, 2022

Statement of Changes in Stockholders' Equity (Deficit) – Three Months Ended
March 31, 2022

Statement of Cash Flows – Three Months Ended March 31, 2022

Notes to Financial Statements

Columbine Valley Resources, Inc.

Balance Sheets

(Unaudited)

	March 31, <u>2022</u>	December 31, <u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ <u>115</u>	\$ <u>115</u>
Total current assets	<u>115</u>	<u>115</u>
Total assets	<u>\$ 115</u>	<u>\$ 115</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,525	\$ -
Accrued liabilities, related party	752	456
Note payable, related party	<u>22,625</u>	<u>22,625</u>
Total current liabilities	<u>24,902</u>	<u>23,081</u>
Total liabilities	<u>24,902</u>	<u>23,081</u>
Commitments and Contingencies	-	
STOCKHOLDERS' DEFICIT		
Preferred shares, \$0.001 par value, 50,000,000 shares authorized; no shares issued and outstanding at March 31, 2022 and December 31, 2021	-	-
Common shares, \$0.001 par value, 275,000,000 shares authorized; 6,994,758 shares issued and outstanding at March 31, 2022 and December 31, 2021	6,994	6,994
Additional paid in capital	142,155,546	142,155,546
Accumulated (deficit)	<u>(142,187,327)</u>	<u>(142,185,506)</u>
Stockholders' deficit	<u>(24,787)</u>	<u>(22,966)</u>
Total liabilities and stockholders' deficit	<u>\$ 115</u>	<u>\$ 115</u>

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

Columbine Valley Resources, Inc.
Statement of Operations
Three Months Ended March 31, 2022
(Unaudited)

Operating expenses:		
Professional fees	\$	1,525
Total operating expenses		<u>1,525</u>
Loss from operations		<u>(1,525)</u>
Other expenses:		
Interest expense, related party		<u>(296)</u>
Total other expenses		<u>(296)</u>
Loss before income taxes		(1,821)
Income taxes		<u>-</u>
Net loss	\$	<u><u>(1,821)</u></u>
Net loss per common share		
Basic and diluted	\$	<u><u>*</u></u>
Weighted average number of common shares		
Basic and diluted		<u><u>6,994,758</u></u>

* Net loss is less than \$0.01 per share.

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

Columbine Valley Resources, Inc.
Statement of Changes in Stockholders' Deficit
(Unaudited)

	Preferred Shares \$0.001 Par Value		Common Shares \$0.001 Par Value		Additional Paid-in Capital	Accumulated (Deficit)	Total Stockholders Equity (Deficit)
	Shares	Amount	Shares	Amount			
BALANCES, January 1, 2022	-	\$ -	6,994,758	\$ 6,994	\$ 142,155,546	\$ (142,185,506)	\$ (22,966)
Net loss for the period	-	-	-	-	-	(1,821)	(1,821)
BALANCES, March 31, 2022	-	\$ -	6,994,758	\$ 6,994	\$ 142,155,546	\$ (142,187,327)	\$ (24,787)

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

Columbine Valley Resources, Inc.
Statement of Cash Flows
Three Months Ended March 31, 2022
(Unaudited)

OPERATING ACTIVITIES		
Net loss	\$	(1,821)
Adjustments to reconcile net loss to net cash flows (used in) operating activities:		-
Changes in		
Accounts payable		1,525
Accrued liabilities, related party		296
Net cash (used in) operating activities		-
INVESTING ACTIVITIES		
Net cash (used in) investing activities		-
FINANCING ACTIVITIES		
Net cash provided by financing activities		-
Net increase in cash		-
Cash at beginning of year		115
Cash at end of year	\$	<u>115</u>
Supplemental Schedule of Cash Flow Information:		
Interest paid	\$	<u>-</u>
Income taxes paid	\$	<u>-</u>

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

Columbine Valley Resources, Inc.
Notes to Consolidated Financial Statements

Note 1 – Organization and History

T-Rex Oil, Inc. (the “Company”) was incorporated in Colorado on September 2, 2014. Rancher Energy Corp was incorporated in Nevada on February 2, 2004. Effective October 20, 2014, T-Rex Oil, Inc. and Rancher Energy Corp were merged under the laws of the State of Colorado and T-Rex Oil, Inc. became the surviving entity. The Company sold its remaining oil and gas prospects in October 2018 and has liquidated its assets and is now seeking a new business.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include the fair value of assets and liabilities, income taxes and the valuation allowances related to deferred tax assets and contingencies.

Cash and Cash Equivalents

The Company considers all liquid investments purchased with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include demand deposits carried at cost which approximates fair value. The Company maintains its cash in institutions insured by the Federal Deposit Insurance Corporation (“FDIC”).

Other Comprehensive Loss

The Company has no material components of other comprehensive loss and accordingly, net loss is equal to comprehensive loss for the period.

Income Taxes

The Company uses the liability method of accounting for income taxes under which deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the accounting bases and the tax bases of the Company’s assets and liabilities. The deferred tax assets and liabilities are computed using enacted tax rates in effect for the year in which the temporary differences are expected to reverse.

The Company's deferred income taxes include certain future tax benefits. The Company records a valuation allowance against any portion of those deferred income tax assets when it believes, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

The Company has adopted ASC guidance regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon

Columbine Valley Resources, Inc.
Notes to Consolidated Financial Statements

technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At March 31, 2022, there were no uncertain tax positions that required accrual.

Net Loss per Share

Basic net loss per common share of stock is calculated by dividing net loss available to stockholders by the weighted-average number of common shares outstanding during the period.

Diluted net loss per common share is calculated by dividing net loss by the weighted-average number of common shares outstanding, including the effect of other dilutive securities. The Company does not have any dilutive securities at March 31, 2022.

Equity Based Payments

The Company recognizes compensation cost for equity-based awards based on estimated fair value of the award and records capitalized cost or compensation expense over the requisite service period. See Note 5 – Equity Based Payments.

Off-Balance Sheet Arrangements

As part of its ongoing business, the Company has not participated in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities (SPEs), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. From its incorporation on February 11, 2014 through March 31, 2022, the Company has not been involved in any unconsolidated SPE transactions.

Subsequent Events

The Company evaluates events and transactions after the balance sheet date but before the financial statements are issued.

Note 3 – Debt

Promissory Note, related party

During the period April 1, 2021 through December 31, 2021, the Company borrowed \$22,625 in exchange for an unsecured promissory note that included interest at the rate of five percent (5%) per annum on the unpaid principal balance with any unpaid principal and interest due on or before September 30, 2022. At March 31, 2022, the Company owes \$22,625 plus accrued interest in the amount of \$752. See Note 6 – Related Party.

Note 4 – Stockholders' Deficit

The Company's capital stock at March 31, 2022 consists of 325,000,000 authorized shares of which 50,000,000 shares are \$0.001 par value preferred stock and 275,000,000 shares are \$0.001 par value common stock.

Preferred Shares

At March 31, 2022, there are no shares of preferred stock issued and outstanding.

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On October 28, 2015, the Company filed an Amendment to its Articles of Incorporation to designate a class of preferred stock as the Series A Convertible Preferred Stock.

The Amendment sets aside 5,000,000 shares of the authorized 50,000,000 shares of the Company's \$0.001 par value preferred stock as the Series A Convertible Preferred Stock ("the Series A Shares.") The Series A Shares are convertible at the option of the Holder into common shares of the Company's stock 9 months after the date of issuance. Further, the Series A Shares have a conversion price based upon 80% of the 10-day average of the Company's closing market price.

Common Shares

At March 31, 2022, there are a total of 6,994,758 shares of common stock issued and outstanding.

Note 5 – Equity Based Payments

The Company accounts for equity-based payment accruals under authoritative guidance as set forth in the Topics of the ASC. The guidance requires all equity-based payments to employees and non-employees, including grants of employee and non-employee stock options and warrants, to be recognized in the consolidated financial statements based at their fair values.

2014 Stock Incentive Plan

Effective October 1, 2014, the Company's 2014 Stock Option and Award Plan (the "2014 Stock Incentive Plan") was approved by its Board of Directors. Under the 2014 Stock Incentive Plan, the Board of Directors may grant options or purchase rights to purchase common stock to officers, employees, and other persons who provide services to the Company or any related company. The participants to whom awards are granted, the type of awards granted, the number of shares covered for each award, and the purchase price, conditions and other terms of each award are determined by the Board of Directors, except that the term of the options shall not exceed 10 years. A total of 2 million shares of the Company's common stock are subject to the 2014 Stock Incentive Plan. The shares issued for the 2014 Stock Incentive Plan may be either treasury or authorized and unissued shares. There were no options or warrants granted, exercised, cancelled or expired during the three months ended March 31, 2022 and there are none outstanding at March 31, 2022.

Note 6 – Related Party Transactions

During the period April 1, 2021 through December 31, 2021, the Company borrowed funds in the amount of \$22,625 from Corscans, Inc. whose more than 5% shareholder is Donald Walford, the Company's Chief Executive Officer and more than 5% shareholder.