

Resilient Energy Inc.

**Financial Statements
(Unaudited)**

June 30, 2024

Resilient Energy Inc.

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Resilient Energy Inc.

Balance Sheets

June 30, 2024 and December 31, 2023

(Unaudited)

	June 30, 2024	December 31, 2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,160	\$ 3,160
Notes receivable	810,000	-
Other assets	26,253	-
Total Current Assets	837,413	3,160
Property and Equipment		
Software, office furniture and equipment	10,705	10,705
Accumulated depreciation and amortization	10,599	10,387
Net Property and Equipment	106	318
	\$ 837,519	\$ 3,478
Liabilities and Member's Equity		
Current Liabilities		
Accrued liabilities	\$ 351,270	\$ 277,163
Accrued liabilities, related party	279,187	245,377
Advances from officer	500	-
Notes payable, current	1,387,934	544,434
Notes payable, related party	576,000	576,000
Total Current Liabilities	2,594,890	1,642,974
Long-Term Liabilities		
Notes payable, net of current portion	81,000	81,000
Total Liabilities	2,675,890	1,723,974
Stockholders' Deficit		
Preferred shares, no par value, 25,000,000 shares authorized; no shares issued and outstanding	-	-
Preferred shares, Series A, \$15 par value, 100,000,000 authorized; no shares issued and outstanding	-	-
Common shares, \$.001 par value, 100,000,000 shares 27,673,077 and 19,158,077 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	27,673	19,158
Additional paid-in capital	7,959,908	7,909,991
Accumulated deficit	(9,825,952)	(9,649,644)
Total Stockholders' Deficit	(1,838,371)	(1,720,495)
	\$ 837,519	\$ 3,478

See accompanying notes to financial statements.

Resilient Energy Inc.

Statements of Operations

**Six Months Ended June 30, 2024 and 2023
(Unaudited)**

	Six Months Ended June 30,	
	2024	2023
Revenue	\$ -	\$ -
Operating Expenses		
Salaries and wages	-	2,000
General and administrative expenses-other	25,583	9,977
Professional fees	51,785	16,450
Filing and stock transfer fees	3,282	1,590
Depreciation and amortization	212	212
Total Operating Expenses	<u>80,862</u>	<u>30,229</u>
Loss From Operations	<u>(80,862)</u>	<u>(30,229)</u>
Other Income (Expense)		
Interest expense	(87,888)	(37,184)
Interest expense, related party	(33,810)	(33,810)
Interest income	26,253	-
Net Other Income (Expense)	<u>(95,445)</u>	<u>(70,994)</u>
Loss Before Income Tax Expense	<u>(176,308)</u>	<u>(101,223)</u>
Income Tax Expense	<u>-</u>	<u>-</u>
Net Loss	<u>\$ (176,308)</u>	<u>\$ (101,223)</u>
Net Loss Per Common Share		
Basic and Diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares		
Basic and Diluted	<u>24,985,714</u>	<u>12,812,244</u>

See accompanying notes to financial statements.

Resilient Energy Inc.

Statements of Changes in Stockholders' Deficit

**Six Months Ended June 30, 2024 and 2023
(Unaudited)**

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance, January 1, 2024	-	\$ -	19,158,077	\$ 19,158	\$ 7,909,991	\$ (9,649,644)	\$ (1,720,495)
Common shares issued	-	-	4,115,000	4,115	30,885	-	35,000
Common shares issued for services	-	-	3,400,000	3,400	15,600	-	19,000
Conversion of notes payable	-	-	1,000,000	1,000	3,432	-	4,432
Net Loss	-	-	-	-	-	(176,308)	(176,308)
Balance, June 30, 2024	<u>-</u>	<u>\$ -</u>	<u>27,673,077</u>	<u>\$ 27,673</u>	<u>\$ 7,959,908</u>	<u>\$ (9,825,952)</u>	<u>\$ (1,838,371)</u>
	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance, January 1, 2023	-	\$ -	12,608,077	\$ 12,608	\$ 7,854,728	\$ (9,413,899)	\$ (1,546,563)
Conversion of notes payable	-	-	625,000	625	5,625	-	6,250
Shares issued for services	-	-	2,000,000	2,000	-	-	2,000
Net Loss	-	-	-	-	-	(101,223)	(101,223)
Balance, June 30, 2023	<u>-</u>	<u>\$ -</u>	<u>15,233,077</u>	<u>\$ 15,233</u>	<u>\$ 7,860,353</u>	<u>\$ (9,515,122)</u>	<u>\$ (1,639,536)</u>

See accompanying notes to financial statements.

Resilient Energy Inc.

Statements of Cash Flows

**Six Months Ended June 30, 2024 and 2023
(Unaudited)**

	Six Months Ended June 30,	
	2024	2023
Cash Flows from Operating Activities		
Net loss from operations attributable to common stockholders	\$ (176,308)	\$ (101,223)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	212	212
Changes in operating assets and liabilities:		
Accrued liabilities, including related party	81,663	141,967
Net Cash (Used in) Provided by Operating Activities	(94,433)	40,956
Cash Flow from Investing Activities		
Issuance of notes receivable	(810,000)	-
Net Cash Used in Investing Activities	(810,000)	-
Cash Flows from Financing Activities		
Proceeds from notes payable	843,500	-
Conversion of debt to common stock	4,433	-
Proceeds from issuance of common stock	35,000	-
Issuance of common stock for services rendered	19,000	-
Net proceeds from advances from officers	500	-
Proceeds from notes payable, related party	-	75,000
Net Cash Provided by Financing Activities	902,433	75,000
Net Increase (decrease) in Cash and Cash Equivalents	(2,000)	115,956
Cash and Cash Equivalents, Beginning of period	3,160	2,225
Cash and Cash Equivalents, End of period	\$ 1,160	\$ 118,181
Supplemental Disclosures of Cash Flow Information		
Cash payments for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

See accompanying notes to financial statements.

Resilient Energy Inc.

Notes to Financial Statements

June 30, 2024 and December 31, 2023
(Unaudited)

Note 1 – Nature of business and significant accounting policies

Nature of business

Resilient Energy Inc. (the “Company”) was incorporated as Six Forks Inc. in March 2012 in the state of Colorado. The Company was an independent energy company engaged in the acquisition, exploration, development and production of North American conventional oil and gas properties through the acquisition of leases and/or royalty interests and developing the properties for maximum cash flow. In December 2018, the Company ceased its oil and gas business operations and has been seeking business opportunities.

Use of estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Loss per share

The Company reports earnings (loss) per share in accordance with Accounting Standards Codification (“ASC”) Topic 260-10, “Earnings per Share.” Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At June 30, 2024 and December 31, 2023, the Company had no dilutive securities.

Revenue recognition

Revenue is derived from contracts with our customers. Revenue is recognized in accordance with ASC 606, “Revenue from Contracts with Customers,” using the full retrospective transition method. As such, the Company identifies performance obligations and recognizes revenue over the period through which the Company satisfies these obligations. Any contracts that by nature cannot be broken down by specific performance criteria will recognize revenue on a straight-line basis over the contractual term of period of the contract.

Cash and cash equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid short-term investments acquired with maturities of 90 days or less to be cash equivalents.

Resilient Energy Inc.

Notes to Financial Statements

June 30, 2024 and December 31, 2023
(Unaudited)

Stock-Based Compensation

When applicable, the Company will account for stock-based payments to employees in accordance with ASC 718, "Stock Compensation" ("ASC 718"). Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the statement of operations based on their fair values at the date of grant.

The Company accounts for stock-based payments to non-employees in accordance with ASC 505-50, "Equity-Based Payments to Non-Employees." Stock-based payments to non-employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date.

The Company calculates the fair value of option grants and warrant issuances utilizing the Binomial pricing model. The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. ASC 718 requires forfeitures to be estimated at the time stock options are granted and warrants are issued to employees and non-employees, and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term "forfeitures" is distinct from "cancellations" or "expirations" and represents only the unvested portion of the surrendered stock option or warrant. The Company estimates forfeiture rates for all unvested awards when calculating the expense for the period. In estimating the forfeiture rate, the Company monitors both stock option and warrant exercises as well as employee termination patterns. The resulting stock-based compensation expense for both employee and non-employee awards is generally recognized on a straight-line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

Property and equipment

Property and equipment including software are stated at cost. Depreciation and amortization have been provided on the straight-line method over the estimated useful lives of the assets which are generally Six to five years. Routine maintenance and repairs are expensed as incurred. The cost of major additions, replacements and improvements are capitalized. Gains and losses from sales or retirements of property and equipment are included in the operating results for the year in which they occur.

Resilient Energy Inc.

Notes to Financial Statements

June 30, 2024 and December 31, 2023
(Unaudited)

Income taxes

The Company accounts for income taxes pursuant to the asset and liability method, which requires deferred tax assets and liabilities to be computed annually for temporary differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the temporary differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The income tax provision or credit is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Concentration of credit risk

The Company has exposure to credit risk to the extent that cash exceeds amounts covered by federal deposit insurance. The Company believes that its credit risk is not significant.

Comprehensive income (loss)

Comprehensive income (loss) consists of two components, net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) refers to revenue, expenses, gains and losses that under U.S. GAAP are recorded as an element of stockholders' equity (deficit) but are excluded from net income (loss). The Company has no material components of comprehensive income (loss) at June 30, 2024 and 2023.

Recent accounting pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. The Company currently does not have any recent accounting pronouncements that they are studying, and feel may be applicable.

Resilient Energy Inc.

Notes to Financial Statements

June 30, 2024 and December 31, 2023
(Unaudited)

Note 2 – Related party transactions

Accrued liabilities and convertible notes payable – related party

At June 30, 2024 and December 31, 2023, the Company owes affiliates \$551,000 as part of unsecured convertible promissory notes plus accrued interest in the amount of \$275,812 and \$242,752, respectively.

Unsecured promissory note payable – related party

On June 30, 2022, the Company borrowed \$25,000 from an affiliate in exchange for an unsecured promissory note due on June 30, 2025. The note bears interest at an annual rate of 6% and is payable along with accrued interest at maturity. At June 30, 2024 and December 31, 2023, the outstanding loan balance was \$25,000 plus accrued interest of \$3,375 and \$2,625, respectively.

Note 3 – Long-term debt

Long-term debt consists of the following as of June 30, 2024 and December 31, 2023:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
In July 2018, the Company entered into eight unsecured promissory notes totaling \$1,038,633, inclusive of two unsecured notes totaling \$551,000 to affiliates, see Note 2-Related Party Transactions, in exchange for management services rendered. The notes had an initial interest rate of seven percent (7%) per annum with principal and interest due on July 31, 2019 (the "Notes"). The Notes are in default and currently accrue interest at the default rate of twelve percent (12%) per annum. The Note holders have the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Notes into shares of the Company's common stock. The conversion price is the lower of (i) \$0.01 per share or (ii) the lowest traded price of a share of the Company's common stock 5 days prior to conversion less a 50% discount. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at June 30, 2024 and December 31, 2023 was \$1,038,633. Total accrued interest at June 30, 2024 and December 31, 2023 was \$552,231 and \$488,046, respectively, and is included in the balance sheets.	\$ 1,038,633	\$ 1,038,633

Resilient Energy Inc.

Notes to Financial Statements

June 30, 2024 and December 31, 2023
(Unaudited)

	June 30, 2024	December 31, 2023
<p>In October 2020, the Company entered into a unsecured promissory note totaling \$30,000. The note had an initial interest rate of six percent (6%) per annum with principal and interest due on October 24, 2021 and subsequently extended to October 23, 2022 and October 23, 2023. As part of extending the maturity date in 2022, the note holder agreed to: (i) waive all default fees, (ii) add the accrued interest of \$1,800 to the outstanding principal, and (iii) an interest rate of eighteen percent (18%) per annum. The note holder in anticipation of the shares becoming registered as part of an anticipated filing with the Securities and Exchange Commission, has the right to convert the shares to freely traded registered shares at the registration price per share, less a 70% discount. Additionally, the noteholder has the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Notes into shares of the Company's common stock. The conversion price is the lower of (i) \$0.01 per share or (ii) the lowest traded price of a share of the Company's common stock 5 days prior to conversion less a 50% discount. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at June 30, 2024 and December 31, 2023 was \$31,800. Total accrued interest at June 30, 2024 and December 31, 2023 was \$15,376 and \$12,514, respectively, and is included in the balance sheets.</p>	31,800	31,800
<p>In March 2022, the Company entered into a unsecured promissory note totaling \$25,000 to an affiliate, see Note 2-Related Party Transactions. The note had an initial interest rate of six percent (6%) per annum with principal and interest due on March 30, 2025. The noteholder has the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Note into shares of the Company's common stock at a conversion price of \$0.50 per share. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at June 30, 2024 and December 31, 2023 was \$25,000. Total accrued interest at June 30, 2024 and December 31, 2023 was \$3,375 and \$2,625, respectively, and is included in the balance sheets.</p>	25,000	25,000
<p>In October 2022, the Company entered into a unsecured promissory note totaling \$25,000. The note had an initial interest rate of six percent (6%) per annum with principal and interest due in October, 2025. The noteholder has the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Note into shares of the Company's common stock at a conversion price of \$0.50 per share. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at June 30, 2024 and December 31, 2023 was \$25,000. Total accrued interest at June 30, 2024 and December 31, 2023 was \$2,542 and \$1,792, respectively and is included in the balance sheets.</p>	25,000	25,000

Resilient Energy Inc.

Notes to Financial Statements

June 30, 2024 and December 31, 2023 (Unaudited)

	June 30, 2024	December 31, 2023
<p>In December 2022, the Company entered into a unsecured promissory note totaling \$25,000. The note had an initial interest rate of six percent (6%) per annum with principal and interest due in December, 2025. The noteholder has the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Note into shares of the Company's common stock at a conversion price of \$0.50 per share. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at March 31, 2024 and December 31, 2023 was \$25,000. Total accrued interest at June 30, 2024 and December 31, 2023 was \$2,262 and \$1,512, respectively, and is included in the balance sheets.</p>	25,000	25,000
<p>In April 2023, the Company entered into a unsecured promissory note totaling \$6,000. The note had an initial interest rate of six percent (6%) per annum with principal and interest due in April, 2025. The noteholder has the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Note into shares of the Company's common stock at a conversion price of \$0.15 per share. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at June 30, 2024 and December 31, 2023 was \$6,000. Total accrued interest at June 30, 2024 and December 31, 2023 was \$433 and \$253, respectively, and is included in the balance sheets.</p>	6,000	6,000
<p>In September 2023, the Company entered into a unsecured promissory note totaling \$25,000. The note had an initial interest rate of six percent (6%) per annum with principal and interest due in September, 2024. The noteholder has the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Note into shares of the Company's common stock at a conversion price of \$0.50 per share. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at March 31, 2024 and December 31, 2023 was \$25,000. Total accrued interest at June 30, 2024 and December 31, 2023 was \$1,218 and \$468, respectively, and is included in the balance sheets.</p>	25,000	25,000
<p>In November 2023, the Company entered into a unsecured promissory note totaling \$25,000. The note had an initial interest rate of eight percent (8%) per annum with principal and interest due in October, 2024. The noteholder has the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Note into shares of the Company's common stock at a conversion price of \$0.15 per share. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at March 31, 2024 and December 31, 2023 was \$25,000. Total accrued interest at June 30, 2024 and December 31, 2023 was \$1,329 and \$329, respectively, and is included in the balance sheets.</p>	25,000	25,000

Resilient Energy Inc.

Notes to Financial Statements

June 30, 2024 and December 31, 2023
(Unaudited)

	June 30, 2024	December 31, 2023
<p>In February 2024, the Company entered into a unsecured promissory note totaling \$25,000. The note had an initial interest rate of eight percent (8%) per annum with principal and interest due in February, 2025. The noteholder has the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Note into shares of the Company's common stock at a conversion price of \$0.15 per share. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at June 30, 2024 and December 31, 2023 was \$25,000 and \$0. Total accrued interest at June 30, 2024 and December 31, 2023 was \$745 and \$0, respectively, and is included in the balance sheets.</p>	25,000	-
<p>In February 2024, the Company entered into a unsecured promissory note totaling \$8,500. The note had an interest rate of six percent (6%) per annum with principal and interest due in April, 2025. The noteholder has the right to convert the unpaid principal, accrued and unpaid interest and any related fees due on the Note into shares of the Company's common stock at a conversion price of \$0.15 per share. Conversion can occur as many times as deemed necessary until the Note obligation has been paid in full. The total amount outstanding at June 30, 2024 and December 31, 2023 was \$8,500. Total accrued interest at June 30, 2024 and December 31, 2023 was \$203 and \$0, respectively, and is included in the balance sheets.</p>	8,500	-
<p>In April 2024, the Company entered into unsecured promissory notes totaling \$810,000. \$350,000 of the notes is due on July 1, 2024. The note has a fixed amount of interest due of \$35,000. This note was extended, at no additional interest, to September 2024. In addition, \$360,000 of notes bear interest at a rate of thirteen percent (13%) per annum and matures in April 2025. Additionally, one note totaling \$100,000 bears interest at a rate of eighteen percent (18%) per annum with principal and interest due in April, 2025. The total amount outstanding at June, 2024 and December 31, 2023 was \$810,000 and \$0, respectively. Total accrued interest at June 30, 2024 and December 31, 2023 was \$51,592 and \$0, respectively, and is included in the balance sheets.</p>	810,000	-
	2,044,933	1,201,433
Less current portion	1,963,934	1,120,433
Notes payable, net of current portion	\$ 81,000	\$ 81,000

Resilient Energy Inc.

Notes to Financial Statements

June 30, 2024 and December 31, 2023
(Unaudited)

Maturities of notes payable are as follows:

Year ended December 31,

2024	\$ 1,963,934
2025	<u>81,000</u>
	<u>\$ 2,044,934</u>

NOTE 4 – Note receivable

On April 1, 2024, the Company entered into a one year Note receivable maturing March 31, 2025, in the amount of \$810,000. The note bears interest at 13% and is due at maturity of the note. Total accrued interest at June 30, 2024 was \$26,253.

NOTE 5 – Stockholders' deficit

Preferred Shares

The Company is authorized to issue 25,000,000 shares of no-par value preferred stock. At June 30, 2024 and December 31, 2023, the Company has no preferred shares issued and outstanding.

On November 12, 2020, the Company's board of directors approved 100,000,000 shares of Series A Preferred Stock with a par value of \$15 per share. The Company had no Series A preferred shares issued and outstanding at June 30, 2024 and December 31, 2023.

Common Shares

The Company is authorized to issue 100,000,000 shares of \$0.001 voting common stock. During the six months ended June 30, 2024, the Company issued 1,000,000 shares to convert \$4,433 in outstanding debt. In addition, 3,400,000 shares were issued for satisfaction of prior services performed totaling \$19,000. Additionally, the Company also issued 4,115,000 for \$35,000. At June 30, 2024 and December 31, 2023, there were a total of 27,673,077 and 19,158,077, respectively, shares of common stock issued and outstanding.