SILVER HORN MINING LTD.
Form 10-K
March 31, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

[ ] 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 000-25097

GREAT WEST RESOURCES, INC.
(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	65-0783722 (I.R.S. Employer Identification No.)
18 Falcon Hills Drive, Colorado (Address of principal executive offices)	80126 (Zip Code)

Registrant's telephone number, including area code: (480) 288-6530

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $0.0001

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

Indicate by check 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 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 filed). Yes [X]   No [   ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

The aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter, based on the price at which the common equity was last sold on the OTC Bulletin Board on such date was approximately $8,741,342. For purposes of this computation only, all officers, directors and 10% or greater stockholders of the registrant are deemed to be affiliates.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class	Outstanding at March 31, 2014
Common Stock, $0.0001 par value	226,646,288

GREAT WEST RESOURCES, INC.
ANNUAL REPORT ON FORM 10-K
Fiscal Year Ended December 31, 2013

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PART I

Item 1. Business

Corporate History

We were incorporated under the name “Swifty Carwash & Quick-Lube, Inc.” in the state of Florida on September 25, 1997. On October 22, 1999, we changed our name from “Swifty Carwash & Quick-Lube, Inc.” to “SwiftyNet.com, Inc.” On January 29, 2001, we changed our name from “SwiftyNet.com, Inc.” to “Yseek, Inc.” On June 10, 2003, we changed our name from “Yseek, Inc.” to “Advanced 3-D Ultrasound Services, Inc.” We merged with World Energy Solutions, Inc., a private Florida corporation, on August 17, 2005. Advanced 3D Ultrasound Services, Inc. remained as the surviving entity and legal acquirer, and World Energy Solutions, Inc. was the accounting acquirer. On November 7, 2005, we changed our name to “World Energy Solutions, Inc.” and merged with Professional Technical Systems, Inc. We remained as the surviving entity and legal acquirer, while Professional Technical Systems, Inc. was the accounting acquirer. On February 26, 2009, we changed our name to “EClips Energy Technologies, Inc.” For the purpose of changing our state of incorporation to Delaware, we merged with and into our newly-formed wholly-owned subsidiary, EClips Media Technologies, Inc. on April 21, 2010, with EClips Media Technologies, Inc. continuing as the surviving corporation. Effective April 25, 2011, we changed our name to “Silver Horn Mining Ltd.” For the purpose of changing our state of incorporation to Nevada from Delaware and changing our name to “Great West Resources, Inc.”, we merged with and into our newly-formed wholly-owned subsidiary, Great West Resources, Inc., on March 28, 2014, with Great West Resources, Inc. continuing as the surviving corporation (the “Reincorporation Merger”). The share amounts set forth in this Annual Report on Form 10-K do not reflect the change in our authorized capital stock and issued and outstanding capital stock that occurred as a result of the Reincorporation Merger. The Reincorporation Merger is described below in this Item 1.

Our Current Business

Commencing in 2011 we focused our business efforts on the acquisition and exploration of properties that may contain mineral resources, principally silver. Our target properties are those that have been the subject of historical exploration or previous production. We have filed federal unpatented lode mining claims in Arizona for the purpose of exploration and potential development of silver on a total of approximately 1,000 acres. We plan to review opportunities to acquire additional mineral properties with current or historic silver mineralization with meaningful exploration potential.

Our properties do not have any reserves. We plan to conduct exploration programs on these properties with the objective of ascertaining whether any of our properties contain concentrations of silver that are prospective for mining.

The 76 Property is located in Yavapai County, Arizona, 50 miles northwest of Phoenix, Arizona. The property consists of 36 federal unpatented lode mining claims on Bureau of Land Management (“BLM”) land totaling 720 acres that we acquired pursuant to a quitclaim deed that we purchased from Can-Am Gold Corp., an entity controlled by Mr. Bleak, for $10.00 on April 26, 2011. To maintain the mining claims in good standing, we must make annual maintenance fee payments to the BLM, in lieu of annual assessment work. These claim fees are $140 per claim per year, plus a total annual fee of approximately $45 for all of the claims to record a notice of intent to hold the claims in Yavapai County. We are currently planning an exploration program consisting of sampling, mapping and assaying to determine potential targets for drilling and further development. The 76 Property does not currently have any reserves. All activities undertaken and currently proposed at the 76 Property are exploratory in nature.

The COD Property is located in Mohave County, Arizona, 7 miles southwest of Chloride, Arizona. The property consists of 14 federal unpatented lode mining claims on BLM land totaling approximately 280 acres. We filed the claims with the BLM on July 1, 2011. To maintain the mining claims in good standing, we must make annual maintenance fee payments to the BLM, in lieu of annual assessment work. These claim fees are $140 per claim per year, plus a total annual fee of approximately $14 for all of the claims to record a notice of intent to hold the claims in Mohave County. We are currently planning an exploration program consisting of sampling, mapping, performing a grid survey and assaying to determine potential targets for drilling and further development. The COD Property does not currently have any reserves. All activities undertaken and currently proposed at the COD Property are exploratory in nature.

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Competition

We do not compete directly with anyone for the exploration or removal of silver and other minerals from our property as we hold all interest and rights to the claims. Readily available commodities markets exist in the U.S. and around the world for the sale of minerals. Therefore, we will likely be able to sell silver and other minerals that we are able to recover. We will be subject to competition and unforeseen limited sources of supplies in the industry in the event spot shortages arise for supplies such as dynamite, and certain equipment such as bulldozers and excavators that we will need to conduct exploration. If we are unsuccessful in securing the products, equipment and services we need we may have to suspend our exploration plans until we are able to secure them.

Compliance with Government Regulation

We are required to comply with all regulations, rules and directives of governmental authorities and agencies applicable to the exploration of minerals in the United States generally. We are also subject to the regulations of the BLM.

We are required to pay annual maintenance fees to the BLM to keep our federal lode mining claims in good standing. The maintenance period begins at noon on September 1 through the following September 1 and payments are due by the first day of the maintenance period. The annual fee is $140 per claim.

Future exploration drilling on any of our properties that consist of BLM land will require us to either file a Notice of Intent or a Plan of Operations with the BLM, depending upon the amount of new surface disturbance that is planned. A Notice of Intent is for planned surface activities that anticipate less than five acres of surface disturbance, and usually can be obtained within a 30 to 60 day time period. A Plan of Operations will be required if there is greater than five acres of new surface disturbance involved with the planned exploration work. A Plan of Operations can take several months to be approved, depending on the nature of the intended work, the level of reclamation bonding required, the need for archeological surveys, and other factors as may be determined by the BLM. Permits to drill are also required from the Arizona Department of Water Resources.

Research and Development

We did not expend funds for research and development costs in fiscal 2012 and 2013.

Employees

We currently have one full time employee, Patrick Avery, who is also our Chief Executive Officer, President, Chief Financial Officer, Treasurer and Secretary. Mr. Avery was appointed on January 21, 2014.

On April 3, 2011 we entered into a consulting agreement with Daniel Bleak, a former officer and director, that terminated on June 30, 2011. On June 1, 2011, we entered into a one year services and employee leasing agreement with MJI Resource Management Corp. pursuant to which it made available to us six of its employees, including Mr. Bleak, for the purpose of performing management, operations, legal, accounting and resource location services. Mr. Eckersley, one of our former directors, served as the President of MJI Resource Management Corp. from May 18, 2011 through September 30, 2011. One of our former employees whom we compensated through the services and employee leasing agreement served as the president of MJI Resource Management Corp. from October 1, 2011 through December 5, 2012.

Compliance with Government Regulation

Various levels of governmental controls and regulations address, among other things, the environmental impact of mineral exploration and mineral processing operations and establish requirements for decommissioning of mineral exploration properties after operations have ceased. With respect to the regulation of mineral exploration and processing, legislation and regulations in various jurisdictions establish performance standards, air and water quality emission standards and other design or operational requirements for various aspects of the operations, including health and safety standards. Legislation and regulations also establish requirements for decommissioning, reclamation and rehabilitation of mineral exploration properties following the cessation of operations and may require that some former mineral properties be managed for long periods of time after exploration activities have ceased.

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Our exploration activities are subject to various levels of federal and state laws and regulations relating to protection of the environment, including requirements for closure and reclamation of mineral exploration properties. Some of the laws and regulations include the Clean Air Act, the Clean Water Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Emergency Planning and Community Right-to-Know Act, the Endangered Species Act, the Federal Land Policy and Management Act, the National Environmental Policy Act, the Resource Conservation and Recovery Act, and all related state laws in Arizona. Additionally, our property is subject to the federal General Mining Law of 1872, which regulates how mineral claims on federal lands are obtained.

Convertible Debentures and Warrants

Between December 2009 and June 2010 we entered into various securities purchase agreements with accredited investors pursuant to which we agreed to issue an aggregate of $1,025,000 of our 6% convertible debentures for an aggregate purchase price of $1,025,000. The debentures had an interest rate of 6% per annum and matured two years from the dates of issuance. The debentures were convertible at the option of the holder at any time into shares of common stock, at a conversion price equal to the lesser of (i) $0.025 per share or (ii) until the 18 month anniversary of the debenture, the lowest price paid per share or the lowest conversion price per share in a subsequent sale of our equity and/or convertible debt securities paid by investors after the date of the debenture. In connection with the agreements, the investors received an aggregate of 41,000,000 warrants to purchase shares of our common stock. The warrants are exercisable for a period of five years from the dates of issuance at an exercise price of $0.025, subject to adjustment in certain circumstances. Warrant holders may exercise the warrant on a cashless basis if the fair market value (as defined in the warrant) of one share of common stock is greater than the initial exercise price.

On February 29, 2012, we entered into note purchase agreements with certain investors whereby we sold an aggregate of $105,882 of convertible promissory notes at an aggregate purchase price of $90,000. These investors included Daniel Bleak, a former officer and director, and several of the Company's existing shareholders. The notes matured on February 28, 2013. We acknowledged and agreed that the notes were issued at an original issue discount. No regularly scheduled interest payments were paid on this note.

On May 9, 2012 we entered into securities purchase agreement with an accredited investor pursuant to which we agreed to issue $37,500 of our 6% two-year convertible debentures for an aggregate purchase price of $37,500. The debenture had an interest rate of 6% per annum. The debenture was convertible at the option of the holder at any time into shares of common stock, at an initial conversion price equal to the lesser of (i) $0.05 per share or (ii) until the eighteen (18) month anniversary of the debenture, the lowest price paid per share or the lowest conversion price per share in a subsequent sale of the Company's equity and/or convertible debt securities paid by investors after the date of the debenture. In connection with the agreement, the investor received a warrant to purchase 750,000 shares of the Company's common stock. The warrant is exercisable for a period of five years from the date of issuance at an initial exercise price of $0.05, subject to adjustment in certain circumstances. The investor may exercise the warrant on a cashless basis if the fair market value (as defined in the warrant) of one share of common stock is greater than the initial exercise price.

On November 8, 2013, the Company entered into note amendment agreements with each of the holders of the Company's notes and debentures pursuant to which the parties agreed to change the conversion price of the securities to $0.03 per share from $0.05 per share. Also on November 8, 2013, the Company issued an aggregate of 8,112,733 shares of common stock in connection with the conversion of each of the amended securities at the new conversion price. As of December 31, 2013, the Company had no outstanding debentures or promissory notes.

The Reincorporation Merger

On January 21, 2014, the Company's Board of Directors voted unanimously to approve a change in domicile from Delaware to Nevada (the "Reincorporation") and recommended the Reincorporation to the company's stockholders for their approval. On January 21, 2014, the holders of in excess of 90% of the outstanding voting stock consented in writing to approve the Reincorporation. The Reincorporation was consummated on March 28, 2014 pursuant to an Agreement and Plan of Merger (the "Merger Agreement") between the Company and its wholly owned subsidiary Great West Resources, Inc., a Nevada corporation ("Great West"), pursuant to which the Company merged with and into Great West, with Great West as the surviving corporation that operates under the name "Great West Resources, Inc." Following the closing of the Reincorporation Merger, the Company's corporate existence is governed by the laws of the State of Nevada and the Amended and Restated Articles of Incorporation, as amended to date, of Great West Resources, Inc.

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On the effective date of the Reincorporation Merger:

(a) Each share of Silver Horn Common Stock issued and outstanding immediately prior to the effective date changed and converted into 1/150th fully paid and nonassessable shares of Great West Common Stock;

(b) Each share of Silver Horn Series A Preferred Stock issued and outstanding immediately prior to the effective date changed and converted into 1/150th fully paid and nonassessable shares of the Great West Series A Preferred Stock;

(c) Each share of Silver Horn Series D Preferred Stock issued and outstanding immediately prior to the effective date changed and converted into 1/150th fully paid and nonassessable shares of the Great West Series B Preferred Stock;

(d) All options to purchase shares of Silver Horn Common Stock issued and outstanding immediately prior to the effective date changed and converted into equivalent options to purchase 1/150th of a share of Great West Common Stock at an exercise price of $0.0001 per share;

(e) All warrants to purchase shares of Silver Horn Common Stock issued and outstanding immediately prior to the effective date changed and converted into equivalent warrants to purchase 1/150th of a share of Great West Common Stock at 150 times the exercise price of such converted warrants; and

(f) Each share of Great West Common Stock issued and outstanding immediately prior to the Effective Date were canceled and returned to the status of authorized but unissued Great West Common Stock.

In lieu of issuing fractional shares of Great West Common Stock or Great West Preferred Stock or options or warrants to purchase fractional shares of Great West Common Stock, to the extent that a holder's shares of Silver Horn Common Stock, Silver Horn Series A Preferred Stock or Silver Horn Series D Preferred Stock, when aggregated together with shares of the same class, did not convert to whole shares of Great West Common Stock, Great West Series A Preferred Stock or Great West Series B Preferred Stock, as applicable, the resulting fractional shares were rounded up to the closest full share, and all options and warrants to purchase fractional shares of Great West Common Stock were rounded up to purchase the next full share of Great West Common Stock.

Upon consummation of the Reincorpiration Merger and resulting Reincorporation, the daily business operations of Great West continued as they were conducted by the Company immediately prior to the Merger, at the Company's principal executive offices at 18 Falcon Hills Drive, Colorado 80126. The officers and directors of the Company became the officers and directors of Great West.

The Reincorporation effected a change in the legal domicile of the Company to Nevada from Delaware. However, the Reincorporation did not result in any change in the Company's business, management, location of its principal executive offices, assets, liabilities or net worth (other than as a result of the costs incident to the Reincorporation, which are immaterial).

Item 1A. Risk Factors

We qualify as a smaller reporting company, as defined by Rule 229.10(f)(1), and are not required to provide the information required by this Item.

Item 1B. Unresolved Staff Comments

None.

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Item 2. Description of Property.

General

We moved to our current facilities to Highlands Ranch, Colorado in January 2014. Our facilities are provided to us at no cost by our current Chief Executive Officer. We believe that these facilities are adequate to meet our current needs. Prior to January 2014, our facilities were located in Apache Junction, Arizona and were provided to us at no cost by MJI Resources Corp. Mr. Eckersley, one of our former directors, served as the President of MJI Resources Corp. from May 18, 2011 through September 30, 2011. Our former operations manager served as the president of MJI Resources Corp. from October 1, 2011 through December 5, 2012.

The 76 Property

The 76 Property is located in Yavapai County, Arizona, 50 miles northwest of Phoenix, Arizona. The property can be accessed from Phoenix by taking Interstate 17 north and exiting on Table Mesa Road. From there, proceed west on unimproved roads for approximately 14 miles. The property consists of 36 federal unpatented lode mining claims on BLM land totaling 720 acres that we acquired pursuant to a quitclaim deed that we purchased from Can-Am Gold Corp. for $10.00 on April 26, 2011. To maintain the mining claims in good standing, we must make annual maintenance fee payments to the BLM, in lieu of annual assessment work. These claim fees are $140 per claim per year, plus a total annual fee of approximately $45 for all of the claims to record a notice of intent to hold the claims in Yavapai County. We are currently planning an exploration program consisting of sampling, mapping and assaying to determine potential targets for drilling and further development.

With regard to the unpatented lode mining claims, future exploration drilling will require us to either file a Notice of Intent or a Plan of Operations with the BLM, depending upon the amount of new surface disturbance that is planned. A Notice of Intent is for planned surface activities that anticipate less than five acres of surface disturbance, and usually can be obtained within a 30 to 60 day time period. A Plan of Operations will be required if there is greater than five acres of new surface disturbance involved with the planned exploration work. A Plan of Operations can take several months to be approved, depending on the nature of the intended work, the level of reclamation bonding required, the need for archeological surveys, and other factors as may be determined by the BLM.

The 76 Property does not currently have any reserves. All activities undertaken and currently proposed at the 76 Property are exploratory in nature.

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The COD Property

The COD Property is located in Mohave County, Arizona, 7 miles southwest of Chloride, Arizona. The property can be accessed from Kingman, Arizona by taking by taking Stockton Hill Road north for 11 miles, turning west onto Quail Quest Road, and then following Coyote Run Road for 0.9 miles. The property consists of 14 federal unpatented lode mining claims on BLM land totaling approximately 280 acres. We filed the claims with the BLM on July 1, 2011. To maintain the mining claims in good standing, we must make annual maintenance fee payments to the BLM, in lieu of annual assessment work. These claim fees are $140 per claim per year, plus a total annual fee of approximately $14 for all of the claims to record a notice of intent to hold the claims in Mohave County. We are currently planning an exploration program consisting of sampling, mapping, performing a grid survey and assaying to determine potential targets for drilling and further development.

On September 18, 2011 we received a notice from John C. Cost claiming that, of these 14 claims, at least nine are situated overlapping his alleged preexisting claims, and requesting that we cease and desist from sampling or removing any ores from these properties. We believe Mr. Cost’s demands are without merit. On March 16, 2012 we filed a complaint against Mr. Cost in Mohave County Superior Court for quiet title and recovery of real property regarding the disputed mining claims. The case is currently in discovery, and trial is set for August 20, 2013.

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With regard to the unpatented lode mining claims, future exploration drilling will require us to either file a Notice of Intent or a Plan of Operations with the BLM, depending upon the amount of new surface disturbance that is planned. A Notice of Intent is for planned surface activities that anticipate less than five acres of surface disturbance, and usually can be obtained within a 30 to 60 day time period. A Plan of Operations will be required if there is greater than five acres of new surface disturbance involved with the planned exploration work. A Plan of Operations can take several months to be approved, depending on the nature of the intended work, the level of reclamation bonding required, the need for archeological surveys, and other factors as may be determined by the BLM.

The COD Property does not currently have any reserves. All activities undertaken and currently proposed at the COD Property are exploratory in nature.

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Item 3. Legal Proceedings.

On January 20, 2012, a default judgment was entered against us in the Circuit Court of the Sixth Judicial Circuit in and for Pinellas County, Florida, for the amount of $47,362.29 stemming from a complaint filed against us on November 7, 2011 by Brimmer, Burke & Keelan, L.L.P., alleging non -payment for accounting services provided to our predecessor World Energy Solutions, Inc. in 2008.

On February 1, 2012, the British Columbia Securities Commission issued a cease trade order barring trading in the Company's common stock in British Columbia, Canada, for failure to make required securities disclosures in British Columbia. The cease trade order has no extraterritorial effect outside of British Columbia.

Item 4. Mine Safety Disclosures.

The Company does not have active mining operations at this time.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our trading symbol on the OTC Bulletin Board is SILV.OB. The Company has applied to FINRA to obtain a new trading symbol. The following table sets forth the high and low bid prices for the periods indicated as reported on the OTC Bulletin Board. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions. The information set forth in this Item 5 does not reflect the effect of the Company's March 28, 2014 Reincorporation Merger, pursuant to which each share of common stock outstanding was converted into 1/150th of a share of Great West Resources, Inc. common stock.

	Common Stock	
	High	Low
1st quarter 2013	$ 0.07	$ 0.02
2nd quarter 2013	$ 0.06	$ 0.02
3rd quarter 2013	$ 0.04	$ 0.02
4th quarter 2013	$ 0.03	$ 0.01
1st quarter 2012	$ 0.18	$ 0.07
2nd quarter 2012	$ 0.13	$ 0.06
3rd quarter 2012	$ 0.12	$ 0.07
4th quarter 2012	$ 0.10	$ 0.04

The last reported sales price of our common stock on the OTC Bulletin Board on March 26, 2014, was $0.04 per share. As of March 26, 2014, there were 526 holders of record of our common stock.

In the past, we have not declared or paid cash dividends on our common stock, and we do not intend to pay any cash dividends on our common stock. Rather, we intend to retain future earnings (if any) to fund the operation and expansion of our business and for general corporate purposes. Subject to legal and contractual limits, our board of directors will make any decision as to whether to pay dividends in the future.

Item 6. Selected Financial Data.

We qualify as a smaller reporting company, as defined by Rule 229.10(f)(1), and are not required to provide the information required by this Item.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Notice Regarding Forward Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including those relating to our liquidity, our belief that we will not have sufficient cash and borrowing capacity to meet our working capital needs for the next 12 months without further financing, our expectations regarding acquisitions and new lines of business, gross profit, gross margins and capital expenditures, Additionally, words such as “expects,” “anticipates,” “intends,” “believes,” “will” and similar words are used to identify forward-looking statements.

Some or all of the results anticipated by these forward-looking statements may not occur. Important factors, uncertainties and risks that may cause actual results to differ materially from these forward-looking statements include, but are not limited to, the Risk Factors which appear in our filings and reports made with the Securities and Exchange Commission, our lack of working capital, the value of our securities, the impact of competition, the continuation or worsening of current economic conditions, technology and technological changes, a potential decrease in consumer spending and the condition of the domestic and global credit and capital markets. Additionally, these forward-looking statements are presented as of the date this Form 10-K is filed with the Securities and Exchange Commission. We do not intend to update any of these forward-looking statements.

Overview

We were incorporated under the name “Swifty Carwash & Quick-Lube, Inc.” in the state of Florida on September 25, 1997. On October 22, 1999, we changed our name from “Swifty Carwash & Quick-Lube, Inc.” to “SwiftyNet.com, Inc.” On January 29, 2001, we changed our name from “SwiftyNet.com, Inc.” to “Yseek, Inc.” On June 10, 2003, we changed our name from “Yseek, Inc.” to “Advanced 3-D Ultrasound Services, Inc.” We merged with World Energy Solutions, Inc., a private Florida corporation, on August 17, 2005. Advanced 3D Ultrasound Services, Inc. remained as the surviving entity and legal acquirer, and World Energy Solutions, Inc. was the accounting acquirer. On November 7, 2005, we changed our name to “World Energy Solutions, Inc.” and merged with Professional Technical Systems, Inc. We remained as the surviving entity and legal acquirer, while Professional Technical Systems, Inc. was the accounting acquirer. On February 26, 2009, we changed our name to “EClips Energy Technologies, Inc.” For the purpose of changing our state of incorporation to Delaware, we had merged with and into our then newly-formed wholly-owned subsidiary, EClips Media Technologies, Inc. on April 21, 2010, with EClips Media Technologies, Inc. continuing as the surviving corporation. Effective April 25, 2011, we changed our name to “Silver Horn Mining Ltd.” from “EClips Media Technologies, Inc.” pursuant to Section 253 of the Delaware General Corporation Law by merging a newly-formed, wholly-owned subsidiary of ours with and into the Company, with the Company as the surviving corporation in the merger. For the purpose of changing our state of incorporation to Nevada from Delaware and changing our name to “Great West Resources, Inc.”, we merged with and into our newly-formed wholly-owned subsidiary, Great West Resources, Inc. on March 28, 2014, with Great West Resources, Inc. continuing as the surviving corporation. The share amounts set forth in this Item 7 of our Annual Report on Form 10-K do not reflect the change in our authorized capital stock and issued and outstanding capital stock as a result of the merger.

We focus our business efforts on the acquisition and exploration of properties that may contain mineral resources, principally silver. Our target properties are those that have been the subject of historical exploration or previous production. We have filed federal unpatented lode mining claims in Arizona for the purpose of exploration and potential development of silver on a total of approximately 1,000 acres. We plan to review opportunities to acquire additional mineral properties with current or historic silver mineralization with meaningful exploration potential. As a result of our focus on mineral exploration, we are considered an exploration stage company.

Our properties do not have any reserves. We plan to conduct exploration programs on these properties with the objective of ascertaining whether any of our properties contain concentrations of silver that are prospective for mining.

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Recent Events

On January 21, 2014, Patrick Avery was appointed as the Chief Executive Officer, President, Chief Financial Officer, Treasurer, director and Chairman of the board of directors (the “Board”) of the Company upon the resignation of Andrew Uribe from all officer positions he held with the Company. Also on January 21, 2014, Glenn Kesner, the controlling stockholder of the Company and a former officer and director, was appointed as the Secretary of the Company. Mr. Uribe remains a director of the Company. In connection with the appointment of Mr. Avery, the Company intends to explore additional business opportunities and alternatives which may include the sale, disposition or suspension of its historic business operations.

On January 21, 2014, the Company’s Board of Directors voted unanimously to approve the change in domicile from Delaware to Nevada and recommended the Reincorporation to the company’s stockholders for their approval. On January 21, 2014, the holders of in excess of 90% of the outstanding voting stock consented in writing to approve the Reincorporation. The Reincorporation was consummated on March 28, 2014 pursuant to an Agreement and Plan of Merger between the Company and its wholly owned subsidiary Great West Resources, Inc., a Nevada corporation (“Great West”), pursuant to which the Company merged with and into Great West, with Great West as the surviving corporation that operates under the name “Great West Resources, Inc.”.

We had net cash used in operations of $20 during the year ended December 31, 2013. At December 31, 2013, we had a working capital deficiency of approximately $766,000. Additionally, at December 31, 2013, we had an accumulated deficit of approximately $49.0 million and stockholder’s deficit of $766,000. These matters and our expected needs for capital investments required to support operational growth raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments to reflect the possible effects on recoverability and classification of assets or the amounts and classification of liabilities that may result from our inability to continue as a going concern.

Critical Accounting Policies and Estimates

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are affected by management’s applications of accounting policies. Critical accounting policies for our company include accounting for derivative liabilities and stock based compensation.

Stock Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated condensed financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

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Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial condition, and revenues and expenses for the years then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate stock-based compensation, derivative liabilities, debt discount and common stock issued for services.

Exploration Stage Company

The Company has been in the exploration stage since April 25, 2011 and has not yet realized any revenues from its planned operations. The Company intends to focus on acquiring and exploring natural resource properties. Accordingly, the Company is an exploration stage company as defined in ASC 915 “Development Stage Entities”.

Mineral Property Acquisition and Exploration Costs

Costs of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company has chosen to expense all mineral exploration costs as incurred given that it is still in the exploration stage. Once the Company has identified proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs will be amortized, using the units-of-production method over the estimated life of the probable-proven reserves. When the Company has capitalized mineral properties, these properties will be periodically assessed for impairment of value and any diminution in value. To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all costs are being expensed.

Results of Operations

Net Revenues. We have not generated revenues during the year ended December 31, 2013 and 2012.

Operating Expenses. Total operating expenses for the year ended December 31, 2013 were $573,793, a decrease of $4,096,409, or approximately 88%, from total operating expenses for the year ended December 31, 2012 of $4,670,202. This decrease is primarily attributable to:

Payroll and stock based compensation expenses were $190,083 and $3,875,049 for the years ended December 31, 2013 and 2012, respectively, a decrease of $3,684,966 or 95%. The decrease was primarily attributable to a decrease in operating activities and not paying any stock-based compensation during the year ended December 31, 2013.

Management fees were $225,000 and $300,000 for the years ended December 31, 2013 and 2012, respectively, a decrease of $75,000 or 25%. The decrease was primarily attributable to the termination of the Services and Employee Leasing Agreement with MJI Resource Management Corp. in November 2013.

Exploration costs were $5,000 and $115,832 for the years ended December 31, 2013 and 2012, respectively, a decrease of $110,832 or 96%. Exploration cost includes costs of lease, exploration, carrying and retaining unproven mineral lease properties. The Company has chosen to expense all mineral acquisition and exploration costs as incurred given that it is still in the exploration stage. The decrease is primarily attributable to the decrease in geologist, consulting and research exploration expenses as a result of limited working capital.

Professional and consulting expenses were $130,241 and $280,770 for the years ended December 31, 2013 and 2012, respectively, a decrease of $150,529 or 54%. Professional expenses were incurred for our audits and public filing requirements. The decrease was primarily attributable to a decrease in operating activities and regulatory filings with respect to the Company during the year ended December 31, 2013.

General and administrative expenses, which consist of office expenses, insurance, rent and general operating expenses totaled $23,469 for the year ended December 31, 2013, as compared to $98,551 for the year ended December 31, 2012, a decrease of $75,082 or 76%. The decrease in general and administrative expenses is primarily attributable to the decrease in overall operating activities during the year ended December 31, 2013.

Total Other Income (Expense). Our total other expenses during the year ended December 31, 2013 primarily associated with derivative liabilities, interest expense and gain on settlement of debt.

Change in Fair Value of Derivative Liabilities and Derivative Liabilities Expense

We recorded derivative liability in connection with the issuance of convertible debentures and warrants. Change in fair value of derivative liabilities expense consisted of income or expense associated with the change in the fair value of derivative liabilities as a result of the application of ASC 815-40 to our financial statements. The Company recognized a derivative liability expense of $11,942 during the year ended December 31, 2013 upon issuance of the convertible debentures and warrants. The variation in fair value of the derivative liabilities between measurement dates amounted to a decrease of $32,614 and $160,740 during the years ended December 31, 2013 and 2012, respectively. We recognized derivative expense of $0 and $174,128 during the years ended December 31, 2013 and 2012, respectively. The increase/decrease in fair value of the derivative liabilities had been recognized as other expense/income. The Company recorded derivative liabilities as a result of the issuance of the convertible debenture and warrants in May 2012.

Interest Expense, Net

Interest expense consists primarily of interest recognized in connection with the amortization of debt discount, amortization of debt issuance cost and interest on our convertible debentures. Interest expense was $120,575 and $127,483 for the years ended December 31, 2013 and 2012, respectively, a decrease of $6,908 or 5%. The decrease was primarily due to the maturity of related party notes in February 2013.

Gain on settlement of debt

We recognized gain on settlement of debt of $1,285,872 during the year ended December 31, 2013. On November 8, 2013, we entered into debt forgiveness agreement with Bond Media Group, Inc. and MJI Resource Management Corp., pursuant to which both companies forgave a total of $1,285,872 pursuant to outstanding invoices and all other debt incurred by us.

Loss from Operations

We recorded loss from operations of $573,793 for the year ended December 31, 2013 as compared to $4,670,202 for the year ended December 31, 2012.

Net Income (Loss)

We recorded net income (loss) of $624,118 for the year ended December 31, 2013 as compared to ($4,811,073) for the year ended December 31, 2012. As a result of the factors described above, our income (loss) from continuing operations per share (basic and diluted) for the year ended December 31, 2013 and 2012 were $0.00 and $(0.02) per share, respectively.

Liquidity and Capital Resources

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. At December 31, 2013, we had a cash balance of $0. Our working capital deficit is $765,832 at December 31, 2013. We do not anticipate we will be profitable in fiscal 2014.

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We reported a net decrease in cash for the year ended December 31, 2013 of $20. We currently have no material commitments for capital expenditures. We do not presently have any external sources of working capital.

We do not have revenues to fund our operating expenses. We presently do not have any available credit, bank financing or other external sources of liquidity. We will need to obtain additional capital in order to expand operations and become profitable. In order to obtain capital, we may need to sell additional shares of our common stock or borrow funds from private lenders. There can be no assurance that we will be successful in obtaining additional funding. Additional capital is being sought, but we cannot guarantee that we will be able to obtain such investments. Financing transactions may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. However, the trading price of our common stock and a downturn in the U.S. equity and debt markets could make it more difficult to obtain financing through the issuance of equity or debt securities. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect significant amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. If additional financing is not available or is not available on acceptable terms, we will have to curtail our operations.

Operating Activities

Net cash flows used in operating activities for the year ended December 31, 2013 amounted to $20 and were primarily attributable to our net income of $624,118 offset by amortization of debt discount of $33,272, non-cash interest expense of $68,147, total changes in assets and liabilities of $592,929 offset by change in fair value of derivative liabilities of $32,614 and gain from settlement of debt of $1,285,872. These changes in assets and liabilities are primarily attributable to a decrease in prepaid expenses of $7,500, and an increase in accounts payable and accrued expenses of $585,429.

Net cash flows used in operating activities for the year ended December 31, 2012 amounted to $192,527 and were primarily attributable to our net losses of $4,811,073, offset by amortization of debt discount and debt issuance costs of $119,151, stock based compensation of $3,541,516, derivative liability expense of $174,128, total changes in assets and liabilities of $943,974 offset by change in fair value of derivative liabilities of $160,740. These changes in assets and liabilities are primarily attributable to a decrease in prepaid expenses of $32,446, and increase in accounts payable and accrued expenses of $911,528.

Financing Activities

Net cash flows provided by financing activities were $0 and $177,500 for the year ended December 31, 2013 and 2012, respectively. We received net proceeds from issuance of notes payable of $127,500 and $50,000 from the issuance of preferred stock during 2012 period.

Off-balance Sheet Arrangements

We have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as stockholder’s equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity.

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We qualify as a smaller reporting company, as defined by Rule 229.10(f)(1), and are not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data.

See pages F-1 through F-24.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Management's Conclusions Regarding Effectiveness of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as of December 31, 2013, the end of the year covered by this report, our management concluded its evaluation of the effectiveness of the design and operation of our disclosure controls and procedures.

Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating and implementing possible controls and procedures.

Our management does not expect that our disclosure controls and procedures will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

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With respect to the fiscal year ending December 31, 2013, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934. Based upon our evaluation regarding the fiscal year ending December 31, 2013, our management, including Mr. Avery, our principal executive officer and principal financial officer, has concluded that our disclosure controls and procedures were not effective due to our limited internal audit functions and lack of ability to have multiple levels of transaction review.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act. Our management is also required to assess and report on the effectiveness of our internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2011. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework. During our assessment of the effectiveness of internal control over financial reporting as of December 31, 2013, management identified significant deficiency related to (i) our internal audit functions and (ii) a lack of segregation of duties within accounting functions. Therefore, our internal controls over financial reporting were not effective as of December 31, 2013.

Management has determined that our internal audit function is significantly deficient due to insufficient qualified resources to perform internal audit functions.

Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, we will implement procedures to assure that the initiation of transactions, the custody of assets and the recording of transactions will be performed by separate individuals.

We believe that the foregoing steps will remediate the significant deficiency identified above, and we will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate. Due to the nature of this significant deficiency in our internal control over financial reporting, there is more than a remote likelihood that misstatements which could be material to our annual or interim financial statements could occur that would not be prevented or detected.

A material weakness (within the meaning of PCAOB Auditing Standard No. 5) is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management’s report in this annual report.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

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Item 9B. Other Information.

None.

PART III.

Item 10. Directors, Executive Officers and Corporate Governance.

The following table sets forth information regarding the members of our board of directors and our sole executive officer. All directors hold office for one-year terms until the election and qualification of their successors. Officers are elected by the board of directors and serve at the discretion of the board.

Name	Age	Position
Patrick Avery	61	Chief Executive Officer, Chief Financial Officer, Treasurer and Chairman
Mohit Bhansali	38	Director
Glenn Kesner	52	Secretary
Andrew Uribe	55	Director

Patrick Avery, Chief Executive Officer, Chief Financial Officer, Treasurer and Chairman of the Board of Directors. Mr. Avery was appointed to his positions with the Company on January 21, 2014. He has more than 30 years of experience in all phases of industrial businesses. Mr. Avery has consulted with LDR Solution LLC, a consulting firm specializing in mining and manufacturing in natural resources and agricultural areas, since March 2013. From February 2011 through March 2013, Mr. Avery served as the President, Chief Executive Officer, Treasurer and Secretary of Prospect Global Resources, Inc. (PGRX), a Nevada corporation listed on The Nasdaq Capital Market. From August 2010 to February 2011, Mr. Avery served as president and chief executive officer of Prospect Global Resources Inc., a Delaware corporation and wholly owned subsidiary of Prospect Global Resources, Inc. From July 2009 to September 2010, Mr. Avery was vice president of energy and commodities for Broe Company where he managed grain, fuel and fertilizer businesses. From March 2009 to June 2009, Mr. Avery managed his investments. Mr. Avery served as president of Intrepid Potash from April 2007 to February 2009 where he led all aspects of mining, manufacturing, logistics and sales. His key efforts at Intrepid Potash included re-vamping older facilities and significant growth in all key operational and sales metrics. From May 1996 to March 2007, Mr. Avery served in several senior positions at JR Simplot including, SVP, Mining, Manufacturing and Sales, and SVP, Retail Operations. During his time at JR Simplot, Mr. Avery oversaw mining and manufacturing at over 10 complex facilities, and ran logistics and sales functions in facilities spanning 13 western states. Mr. Avery performed undergraduate studies at the University of Colorado and performed graduate work in engineering from Loyola Marymount University. He received his MBA from the Graziadio School of Business at Pepperdine University. Mr. Avery was selected to serve as a director due to his extensive mining resource and business experience.

Mohit Bhansali, Director. Mr. Bhansali has served on our board of directors since November 8, 2013. He has served as a director of Spiral Energy Tech., Inc. (formerly Solid Solar Energy, Inc.) since December 26, 2011 and as its President and Secretary since December 27, 2011. Mr. Bhansali served as the Chief Executive Officer, Chief Financial Officer and Treasurer of Spiral Energy Tech., Inc. from December 26, 2011 through April 25, 2013. Mr. Bhansali has served as the President and a director of Northern Wind Energy Corp. (formerly Icarus Wind Energy, Inc.) since December 26, 2011 and as the Secretary of Northern Wind Energy Corp. since December 27, 2011. He served as the Chief Executive Officer, Chief Financial Officer and Treasurer of Northern Wind Energy Corp. from December 26, 2011 through October 15, 2013. He has served as the Chief Operating Officer of Equity Stock Transfer since November 11, 2011, as a partner of Deadbeat Records LLC since 2010, as a securities specialist at Sichenzia Friedman Ference LLP from 2009 through 2011 and as a securities specialist at Haynes and Boone, LLP from 2006 through 2009. Mr. Bhansali's qualifications to serve on the board include his entrepreneurial experience and his knowledge of capital markets.

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Glenn Kesner, Secretary. Mr. Kesner was appointed Secretary of the Company on January 21, 2014. He founded Auracana, LLC ("Auracana") in 2001 and has served as its president since its inception. Mr. Kesner's responsibilities at Auracana include media, consumer, corporate, web and digital branding, marketing and content development/production. Mr. Kesner served as the sole officer and director of Be Active Holdings (listed on the Over the Counter Bulletin Board) from August 2012 through January 9, 2013. Mr. Kesner previously served as the Chairman and President of the Company from December 2010 through May 2011. He was appointed to the Board in February 2010 and as Chief Executive Officer in November 2010. Mr. Kesner resigned from all of his former officer and director positions with the Company on May 3, 2011. In 2010, Mr. Kesner served as the President, Chief Executive Officer and sole director of FTOH Corp. (formerly listed on the Over the Counter Bulletin Board), where he played a leadership role in the company's management.

Andrew Uribe, Director. Mr. Uribe has served on our board of directors since November 8, 2013. He also served as our sole officer from November 8, 2013 through January 21, 2014. He has served as the President of the Calima Group LLC since September 1999. Mr. Uribe served as the sole officer and director of Marathon Patent Group, Inc. (formerly American Strategic Minerals Corporation) from December 29, 2011 through January 26, 2012. Mr. Uribe served as president and director of Emy's Salsa AJI Distribution Company, Inc. from July 2006 to December 2008 and the sole director of Spiral Energy Tech., Inc. and Northern Wind Energy Corp from 2008 through 2011.

There are no family relationships among any of our directors and executive officers.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of a registered class of our securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock. A copy of each report is furnished to us.

SEC rules require us to identify anyone who failed to file a required report, or filed a required report late, during the most recent fiscal year. Based solely on a review of copies of such reports, we believe that during the year ended December 31, 2013, all Section 16(a) filing requirements were complied with on a timely basis except: Daniel Bleak (1 late transaction), Mohit Bhansali (1 late filing, 1 late transaction), Glenn Kesner (1 late filing) and Andrew Uribe (1 late filing, 1 late transaction).

Code of Ethics

We intend to adopt a code of ethics that applies to our officers, directors and employees, including our chief executive officer and chief financial officer, but have not done so to date due to our relatively small size.

Board Committees

Audit Committee. We intend to establish an audit committee of the board of directors once we have satisfied the other initial listing standards for listing our common stock on the Nasdaq Stock Market or another national exchange. The audit committee will consist of independent directors, of which at least one director will qualify as a qualified financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. The audit committee's duties will be to recommend to our board of directors the engagement of independent auditors to audit our financial statements and to review our accounting and auditing principles. The audit committee will review the scope, timing and fees for the annual audit and the results of audit examinations performed by the internal auditors and independent public accountants, including their recommendations to improve the system of accounting and internal controls. The audit committee will at all times be composed exclusively of directors who are, in the opinion of our board of directors, free from any relationship that would interfere with the exercise of independent judgment as a committee member and who possess an understanding of financial statements and generally accepted accounting principles.

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Compensation Committee. We intend to establish a compensation committee of the board of directors once we have satisfied the other initial listing standards for listing our common stock on the Nasdaq Stock Market or another national exchange. The compensation committee will review and approve our salary and benefits policies, including compensation of executive officers. The compensation committee will also administer our stock option plans and recommend and approve grants of stock options under such plans.

Item 11. Executive Compensation.

The following table summarizes the overall compensation earned over each of the past two fiscal years ending December 31, 2013 by each person who served as our principal executive officer during fiscal 2013.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Stock Awards ($) (1)	All Other Compensation ($)	Total ($)
Andrew Uribe (Former Chief Executive Officer, Chief Financial Officer, Secretary and Treasurer) (2)	2013	0	0	0	0
Daniel Bleak (3)	2013	0	0	0	0
(Former Chief Executive Officer, Chief Financial Officer and Chairman)	2012	12,775	3,500,000(4)	—	3,512,775

(1) Reflects the grant date fair values of stock awards calculated in accordance with FASB Accounting Standards Codification Topic 718. All stock awards have been adjusted for our 1:150 reverse stock split effective August 25, 2009, our 2:1 forward exchange effective April 21, 2010 and our 2:1 stock dividend issued to certain stockholders on December 31, 2010.

(2) Mr. Uribe was appointed as our Chief Executive Officer, Chief Financial Officer, Secretary and Treasurer on November 8, 2013. He resigned from all officer positions with the Company on January 21, 2014.

(3) Mr. Bleak was appointed as our Chairman and Chief Executive Officer on May 2, 2011 and as our Chief Financial Officer on May 11, 2011. He resigned from all officer and director positions on November 8, 2013.

(4) In connection with his appointment on May 2, 2011, Daniel Bleak was awarded 10,000,000 shares of common stock and a five year option to purchase 30,000,000 shares of our common stock. The option was exercisable for cash or shares of common stock at an exercise price of $0.05 per share as to one third of the number of shares granted on each of the first, second and third anniversaries of the date of grant. The option was cancelled on February 21, 2012 and the 10,000,000 shares were cancelled on November 8, 2013. Mr. Bleak was issued 25,000,000 shares on February 21, 2012 as compensation for his services. These shares were cancelled on November 8, 2013 in connection with Mr. Bleak's resignation from all of his positions with the Company.

Agreements

Effective April 3, 2011 we entered into a consulting agreement with Mr. Bleak that terminated on June 30, 2011, pursuant to which we paid Mr. Bleak $5,000 a month for three months as compensation for his professional services.

On June 1, 2011, we entered into a one year services and employee leasing agreement with MJI Resource Management Corp. pursuant to which it made available to us six of its employees, including Mr. Bleak, for the purpose of performing management, operations, legal, accounting and resource location services. The agreement stipulated that we pay MJI Resource Management Corp. $15,000 a month and the six employees an aggregate of $11,000 a month under this agreement in each of June and July 2011, provided however, that such payments may be adjusted for additional services. The agreement was amended on August 1, 2011 such that, commencing in August 2011, we were to pay MJI Resource Management Corp. $25,000 a month and the six employees an aggregate of $11,000 a month, as such payments may be adjusted for additional services. The agreement was further amended on October 1, 2011 to extend its term to five years. Pursuant to this agreement, from the period from June 1, 2011 through December 31, 2011, we paid MJI Resource Management Corp. a total of $155,000, we directly paid the six employees $169,471 and we paid certain subcontractors $17,255. We paid Mr. Bleak a total of $75,828 pursuant to this agreement. For the fiscal year December 31, 2012, we directly paid the six employees $14,565 and we paid certain subcontractors $3,083. We paid Mr. Bleak a total of $12,775 pursuant to this agreement.

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In connection with his appointment on May 2, 2011, we awarded Mr. Bleak 10,000,000 shares of common stock and a five year option to purchase 30,000,000 shares of our common stock. The option was exercisable for cash or shares of common stock at an exercise price of $0.05 per share as to one third of the number of shares granted on each of the first, second and third anniversaries of the date of grant. The option was cancelled on February 21, 2012. Also on February 21, 2012 we issued Mr. Bleak 25,000,000 shares as compensation for his services. 34,500,000 shares of common stock were cancelled on November 8, 2013 in connection with Mr. Bleak's resignation from all of his positions with the Company.

On January 21, 2014, we entered into an employment agreement with Mr. Avery whereby he agreed to serve as the Chief Executive Officer and Chairman of the board of directors for a period of two years, subject to renewal, in consideration for a base salary of $30,000 per month. The base salary shall increase to $40,000 per month if either of the following events occur: (i) the market value of the Company's common stock reaches or exceeds $50,000,000 for seven consecutive trading days or (ii) the Company completes a strategic acquisition in the Holbrook Basin whereby it acquires a land or mineral lease (or combination thereof) that increases the Company's land holdings (section or acre basis) by at least 50%. Under the terms of the employment agreement, Mr. Avery shall be eligible for an annual cash bonus in an amount equal to up to 120%, but not less than 80%, of his then-current base salary if the Company meets certain criteria, as established by the Board of Directors. The employment agreement shall terminate upon Mr. Avery's death, "Total Disability" (as defined in the Employment Agreement), upon the expiration of the initial term or any renewal term, at Mr. Avery's option upon 60 days prior written notice, at Mr. Avery's option, in the event of an act by the Company constituting "Good Reason" (as defined in the Employment Agreement) and at the Company's option, in the event of an act by Mr. Avery constituting "Cause" (as defined in the employment agreement. As further consideration for his services, Mr. Avery was issued an option under the Company's 2014 Equity Incentive Plan to purchase up to 7.5% of the outstanding common stock of the Company calculated on a post-Transaction pro forma basis at a per share price of $0.0001, which shall vest as follows: (i) 10% immediately on January 21, 2014, (ii) 45% on January 21, 2015 and (iii) the remaining 45% on January 21, 2016. "Transaction" is defined as (a) the consummation of a private placement of the Company's securities in which the Corporation receives gross proceeds of at least $1,000,000 and (b) the acquisition of at least fifty lease holdings in the Holbrook Basin in Arizona.

Also on January 21, 2014, we entered into a consulting agreement with Mr. Kesner pursuant to which Mr. Kesner shall provide administrative and management services to the Company for compensation of $7,500 per month and reimbursement for the cost of group family health insurance.

Director Compensation

The compensation paid to Mr. Bleak for the years ending December 31, 2012 and 2013 is fully set forth above. Mr. Eckersley and Mr. Wilkins did not receive any compensation for their services as our directors for the years ending December 31, 2012 and 2013.

On January 21, 2014, the board approved non-employee director fees of $1,000 per month and issued to each of Mr. Uribe and Mr. Bhansali a four year option to purchase up to 4,500,000 of the Company's issued and outstanding common stock at a cashless exercise price of $0.0001 per share. The options vested immediately. The Company has not yet paid Mr. Uribe and Mr. Bhansali any of the owed monthly fees.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following tables sets forth, as of March 26, 2014, the number of and percent of the Company's voting securities beneficially owned by: (1) all directors and nominees, naming them; (2) our executive officers; (3) our directors and executive officers as a group, without naming them; and (4) persons or groups known by us to own beneficially 5% or more of our common stock.

A person is deemed to be the beneficial owner of securities that can be acquired by him within 60 days from February 6, 2014 upon the exercise of options, warrants or convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options, warrants or convertible securities that are held by him, but not those held by any other person, and which are exercisable within 60 days of March 26, 2014 have been exercised and converted.

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Title of Class	Name of Beneficial Owner	Shares Beneficially Owned (1)	Percentage of Class (1)
5% Owners			
Common Stock	Michael Baybak	13,541,667	5.97%
Common Stock	Michael Brauser	24,390,521 (2)	10.76%
Common Stock	Barry Honig	22,641,964 (3)	9.99%
Common Stock	Philip Frost	19,000,000 (4)	8.38%
Common Stock	Sandor Master Capital Fund L.P. (5)	16,401,900	7.24%
Series A Preferred Stock	Glenn Kesner	3,000,000 (6)	100.00%
Series D Preferred Stock	Michael Brauser	500,000 (7)	50.00%
Series D Preferred Stock	Barry Honig	500,000 (7)	50.00%
Officers and Directors			
Common Stock	Patrick Avery	0 (8)	0%
Common Stock	Mohit Bhansali	4,500,000 (9)	1.99%
Common Stock	Glenn Kesner (10)	219,863	*%
Series A Preferred Stock	Glenn Kesner	3,000,000 (6)	100.00%
Common Stock	Andrew Uribe	4,500,000 (9)	1.99%
All Officers and Directors (4 people)			
Common Stock		9,219,863 (9)(10)	4.07%
Series A Preferred Stock		3,000,000 (6)	100%

(1) The percentage of common stock and the shares beneficially owned are calculated based on 226,646,288 shares of common stock issued and outstanding on March 26, 2014. Following the Merger, each share of common stock, Series A Preferred Stock and Series D Preferred Stock outstanding as set forth herein shall be equal to 1/150 of such outstanding common stock, Series A Preferred Stock and Series D Preferred Stock.

(2) Does not include (i) 2,500,000 shares of common stock issuable upon conversion of 500,000 shares of Series D Preferred Stock and (ii) 17,750,000 shares of common stock issuable upon exercise of warrants. The holder of Series D Preferred Stock may not receive shares of the Company's common stock such that the number of shares of common stock held by it and its affiliates after conversion exceeds 9.99% of the then issued and outstanding shares of common stock. The holder of the warrants may not receive shares of the Company's common stock such that the number of shares of common stock held by it and its affiliates after exercise of warrants exceeds 9.99% of the then issued and outstanding shares of common stock.

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(3) Includes (i) 4,664,830 shares of common stock held by Barry Honig, (ii) 8,326,146 shares of common stock held by GRQ Consultants, Inc. 401K (“GRQ 401K”), (iii) 300,000 shares of common stock held by GRQ Consultants, Inc. (“GRQ”), (iv) 8,700,000 shares of common stock issuable to Barry Honig upon exercise of warrants at an exercise price of $0.05 per share, (v) 300,000 shares of common stock issuable to GRQ upon exercise of warrants at an exercise price of $0.05 per share and (vi) 373,426 shares of common stock issuable to GRQ 401K upon exercise of warrants at an exercise price of $0.05 per share. Does not include (i) 6,649,012 shares of common stock issuable upon exercise of warrants held by GRQ 401K and 2,500,000 shares of common stock issuable upon conversion of 500,000 shares of Series D Preferred Stock held by Barry Honig. The holder of Series D Preferred Stock may not receive shares of the Company’s common stock such that the number of shares of common stock held by it and its affiliates after conversion exceeds 9.99% of the then issued and outstanding shares of common stock. The holder of warrants may not receive shares of the Company’s common stock such that the number of shares of common stock held by it and its affiliates after exercise of the warrants exceeds 9.99% of the then issued and outstanding shares of common stock. Barry Honig is the trustee and a control person of GRQ 401K and the President and a control person of GRQ and in such positions is deemed to hold voting and dispositive power over securities of the Company held by GRQ 401K and GRQ, respectively.

(4) Includes 16,000,000 shares of common stock held by Frost Gamma Investments Trust. Dr. Philip Frost is the trustee and a control person of Frost Gamma Investments Trust and in such positions is deemed to hold voting and dispositive power over securities of the Company held by the Frost Gamma Investments Trust.

(5) John Lemak is the manager and a control person of Sandor Master Capital Fund L.P. and in such position is deemed to hold voting and dispositive power over securities of the Company held by Sandor Master Capital Fund L.P.

(6) Includes 3,000,000 shares of Series A Preferred Stock held by Auracana, LLC. Glenn Kesner is the president and a control person of Auracana, LLC and in such position is deemed to hold voting and dispositive power over securities of the Company held by Auracana LLC. Each share of Series A Preferred Stock is convertible into shares of common stock on a one-to-one basis and has the voting power of 250 shares of common stock.

(7) Each share of Series D Preferred Stock is convertible into shares of common stock on a one-to-five basis and has the voting power of 1 share of common stock.

(8) Does not include an option to purchase up to 7.5% of the outstanding common stock calculated on a post-Transaction pro forma basis at a per share price of $0.0001, which shall vest as follows: (i) 10% immediately on January 21, 2014, (ii) 45% on January 21, 2015 and (iii) the remaining 45% on January 21, 2016. "Transaction" is defined as (a) the consummation of a private placement of the Company’s securities in which the Company receives gross proceeds of at least $1,000,000 and (b) the acquisition of at least fifty lease holdings in the Holbrook Basin in Arizona.

(9) Includes option to purchase up to 4,500,000 shares of common stock.

(10) Includes 219,863 shares of common stock held by Auracana, LLC. Glenn Kesner is the president and a control person of Auracana, LLC and in such position is deemed to hold voting and dispositive power over securities of the Company held by Auracana LLC.

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Item 13. Certain Relationships and Related Transactions, and Director Independence.

On June 1, 2011, we entered into a one year services and employee leasing agreement with MJI Resource Management Corp. pursuant to which it made available to us six of its employees, including Mr. Bleak, for the purpose of performing management, operations, legal, accounting and resource location services. The agreement stipulated that we pay MJI Resource Management Corp. $15,000 a month and the six employees an aggregate of $11,000 a month under this agreement in each of June and July 2011, provided however, that such payments may be adjusted for additional services. The agreement was amended on August 1, 2011 such that, commencing in August 2011, we were to pay MJI Resource Management Corp. $25,000 a month and the six employees an aggregate of $11,000 a month, as such payments may be adjusted for additional services. The agreement was further amended on October 1, 2011 to extend its term to five years. Pursuant to this agreement, from the period from June 1, 2011 through December 31, 2011, we paid MJI Resource Management Corp. a total of $155,000, we directly paid the six employees $169,471 and we paid certain subcontractors $17,255. Mr. Bleak received a total of $75,828 under this agreement. We have paid the President of MJI Resource Management Corp., who was also our operations manager at the time, a total of $24,570 under the agreement.

In 2012, pursuant to the services and employee leasing agreement, we directly paid the six employees $14,565, and we paid certain contractors $3,083. Mr. Bleak received a total of $12,775 under this agreement. As of December 31, 2012, we owed MJI Resources Management Corp. an aggregate of $849,170 under this agreement.

In 2013, we did not pay MJI, Mr. Bleak, or other individuals under the services and leasing agreement.

On November 8, 2013, Mr.Bleak cancelled 34,500,000 shares owned by Mr. Bleak in connection with his resignation.

On November 8, 2013, we entered into a debt forgiveness agreement with MJI Resource Management, pursuant to which MJI forgave (i) $1,264,253 owed to it pursuant to outstanding invoices less $175,000 and (ii) all other debt incurred by the Company from January 1, 2011 through the November 8, 2013. We agreed to pay MJI $175,000 upon the closing of any future purchase of all or substantially all of the assets of a privately held or public operating company and simultaneous capital raising transaction (the “Financing”) as (i) a cash payment, (ii) conversion into the applicable dollar amount of securities issued by the Company in the Financing upon the same terms provided to the other investors in the Financing or (iii) a combination of (i) and (ii).

Our facilities were provided to us at no cost during the fiscal year ended December 31, 2012 and from January 1, 2013 through November 8, 2013 by MJI Resources Corp. Our facilities were provided to us at no cost from November 8, 2013 through January 21, 2014 by Mr. Uribe, a director. Our current facilities are provided to us at no cost by Mr. Avery.

On February 29, 2012, we entered into a note purchase agreement with Mr. Bleak pursuant to which we sold him $23,529.41 of convertible promissory notes at an aggregate purchase price of $20,000. On November 8, 2013 we amended this note to change the conversion price from $0.05 to $0.03 and issued Mr. Bleak 784,300 shares upon the conversion.

On May 9, 2012, we issued $37,500 of our 6% convertible debentures for an aggregate purchase price of $37,500 to Michael Brauser, a 10% shareholder. In connection with the agreement, the shareholder received a warrant to purchase 750,000 shares of our common stock. The warrant is exercisable for a period of five years from the date of issuance at an initial exercise price of $0.05, subject to adjustment in certain circumstances. The holder may exercise the warrant on a cashless basis if the fair market value (as defined in the warrant) of one share of common stock is greater than the initial exercise price.

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On November 8, 2013 we amended the outstanding notes issued to Mr. Brauser to change the conversion price from $0.05 to $0.03 and issued Mr. Brauser 4,583,333 shares upon conversion of all of the debt.

On January 21, 2014, we entered into a securities purchase agreement with Auracana LLC, an entity owned by Mr. Kesner, our current Secretary, pursuant to which we sold to Auracana our wholly owned subsidiaries H-Hybrid Technologies, Inc., a Florida corporation and RZ Acquisition Corp., a New York corporation. Auracana, as the owner of 3 million shares of our Series A Convertible Preferred Stock, is entitled to a super majority of the Company's voting power and is the controlling stockholder of the Company. We sold the subsidiaries to Auracana for a purchase price of $1.00 as compensation for Mr. Kesner's prior services as an officer and director during the fiscal years ending December 31, 2010 and 2011.

Item 14. Principal Accounting Fees and Services

We paid D. Brooks and Associates CPA's, P.A., our independent registered public accounting firm for the 2013 and 2012 fiscal years, the following amounts:

	2013	2012
Audit Fees (1)	$ 11,888	$ 11,238
Audit Related Fees (2)		
Tax Fees		
All Other Fees		
Total Fees	$ 11,888	$ 11,238

(1) Audit fees consisted primarily of fees for the audit of our annual financial statements and reviews of the financial statements included in our quarterly reports and current reports.
(2) Audit related fees consisted primarily of fees for assurance and related services reasonably related to the audit and review services described under footnote 1 above.

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PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Documents filed as part of this report.

(1) Financial Statements. See Index to Consolidated Financial Statements, which appears on page F-1 hereof. The financial statements listed in the accompanying Index to Consolidated Financial Statements are filed herewith in response to this Item.

(2) Financial Statements Schedules. None.

(3) Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger dated March 28, 2014*
3.1	Articles of Incorporation*
3.2	Amended and Restated Articles of Incorporation*
3.3	Amendment to Amended and Restated Articles of Incorporation*
3.4	Bylaws*
3.5	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock*
3.6	Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock*
4.1	Form of Common Stock Purchase Warrant issued February 4, 2010 (Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16. 2010)
4.2	Form of Common Stock Purchase Warrant issued April 21, 2010 (Incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 17. 2010)
4.3	Form of Common Stock Purchase Warrant issued May 22, 2010 through June 11 (Incorporated by reference to Exhibit 10.10 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 24. 2010)
4.4	Form of Note (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on March 1, 2012)
4.5	Form of Convertible Debenture issued May 9, 2012 (Incorporated by reference to Exhibit 4.5 to the Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 16, 2013)

4.6	Form of Common Stock Purchase Warrant issued May 9, 2012 (Incorporated by reference to Exhibit 4.6 to the Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 16, 2013)
4.7	Form of Note Amendment (Incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 15, 2013)
10.1	Form of Securities Purchase Agreement dated February 4, 2010 (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 16. 2010)
10.2	Quitclaim Deed dated April 26, 2011 (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on April 29, 2011)
10.3	Form of Subscription Agreement (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2011)
10.4	Supplement to Subscription Agreement (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2011)
10.5	Form of Note Purchase Agreement (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on March 1, 2012)
10.6	Form of Subscription Agreement (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 2012)
10.7	Cancellation and Recapitalization Agreement dated November 8, 2013 (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 15, 2013)
10.8	Debt Forgiveness Agreement dated November 8, 2013 (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 15, 2013)
10.9	Debt Forgiveness Agreement dated November 8, 2013 (Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 15, 2013)
10.10	Form of Indemnification Agreement (Incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 15, 2013)
10.11	Silver Horn Mining 2014 Equity Incentive Plan (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on January 21, 2014)
10.12	Employment Agreement by and between the Company and Patrick Avery dated January 21, 2014 (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on January 21, 2014)
10.13	Consulting Agreement by and between the Company and Glenn Kesner dated January 21, 2014 (Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the Securities

	and Exchange Commission on January 21, 2014)
10.14	Securities Purchase Agreement by and between the Company and Auracana LLC dated January 21, 2014 (Incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on January 21, 2014)
21.1	List of Subsidiaries *
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

* Filed herewith.
+ Management contract or compensatory plan or arrangement.

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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.

Dated: March 31, 2014

GREAT WEST RESOURCES, INC.

By: /s/ Patrick Avery
Patrick Avery
Chief Executive Officer and Chairman (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

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

Dated: March 31, 2014

By: /s/ Patrick Avery
Patrick Avery
Chief Executive Officer and Chairman (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

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SILVER HORN MINING LTD. AND SUBSIDIARIES
(AN EXPLORATION STAGE COMPANY)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

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D. Brooks and Associates CPA's, P.A.
Certified Public Accountants • Valuation Analyst • Advisors

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Silver Horn Mining Ltd.
(An Exploration Stage Company)

We have audited the accompanying consolidated balance sheets of Silver Horn Mining Ltd. (An Exploration Stage Company) as of December 31, 2013 and 2012, and the related statements of income, stockholders' deficit, and cash flows for the years then ended December 31, 2013 and 2012 and for the period from April 25, 2011 (inception of exploration stage) through December 31, 2013. Silver Horn Mining Ltd.'s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Silver Horn Mining Ltd. (An Exploration Stage Company) as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended December 31, 2013 and 2012 and for the period from April 25, 2011 (inception of exploration stage) through December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has incurred operating losses, has incurred negative cash flows from operations and has a working capital deficit. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plan regarding these matters is also described in Note 2 to the financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ D. Brooks and Associates CPA's, P.A.

D. Brooks and Associates CPA's, P.A.
West Palm Beach, Florida
March 23, 2014

D. Brooks and Associates CPA's, P.A. 8918 Marlamoor Lane, West Palm Beach, FL 33412 – (954) 592–2507

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Silver Horn Mining, Ltd.
(An Exploration Stage Company)
Consolidated Balance Sheets

	December 31, 2013		December 31, 2012	
ASSETS				
Current Assets				
Cash	$	-	$	20
Prepaid expenses		-		7,500
Total Current Assets		-		7,520
Total Assets	$	-	$	7,520
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current Liabilities				
Accounts payable and accrued expenses	$	466,493	$	492,766
Accounts payable - related party		175,000		849,170
Derivative liability		11,942		50,888
Convertible notes payable, net of debt discounts		-		210,110
Liabilities for discontinued operations		112,397		112,397
Total Current Liabilities		765,832		1,715,331
Commitments and Contingencies				
Stockholders' Deficit				
Preferred stock, $0.0001 par value; 10,000,000 shares authorized				
Series A, 3,000,000 issued and outstanding		300		300
Series B, none issued and outstanding		-		-
Series C, none issued and outstanding		-		-
Series D, 1,000,000 issued and outstanding		100		100
Common stock, $0.0001 par value; 750,000,000 shares authorized, 226,646,288 and 253,033,555 shares issued and outstanding, respectively		22,664		25,303
Additional paid-in capital		48,180,148		47,859,648
Accumulated deficit		(41,947,270)		(41,947,270)
Accumulated deficit since inception of exploration stage (April 25, 2011)		(7,021,774)		(7,645,892)
Total Stockholders' Deficit		(765,832)		(1,707,811)
Total Liabilities and Stockholders' Deficit	$	-	$	7,520

See accompanying notes to consolidated financial statements.

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Silver Horn Mining, Ltd.
(An Exploration Stage Company)
Consolidated Statements of Operations

	For the Years Ended December 31, 2013	December 31, 2012	For the Period From April 25, 2011 (Inception of Exploration Stage) to December 31, 2013
Net revenues	$ -	$ -	$ -
Operating Expenses			
Payroll expense and stock based compensation	190,083	3,875,049	4,575,501
Management fees - related party	225,000	300,000	525,000
Exploration cost	5,000	115,832	277,195
Impairment of mineral rights	-	-	500,000
Professional and consulting	130,241	280,770	719,260
General and administrative expneses	23,469	98,551	439,594
Total Operating Expenses	573,793	4,670,202	7,036,550
Loss from Operations	(573,793)	(4,670,202)	(7,036,550)
Other Income (Expense)			
Gain on settlement of debt	1,285,872	-	1,285,872
Interest expense	(120,575)	(127,483)	(609,382)
Derivative expense	-	(174,128)	(174,128)
Change in fair value of derivative liability	32,614	160,740	(487,586)
Total Other Income (Expense), net	1,197,911	(140,871)	14,776
Net Income (Loss)	$ 624,118	$ (4,811,073)	$ (7,021,774)
Net Income (Loss) Per Share - Basic and Diluted	$ 0.00	$ (0.02)	
Weighted average number of shares outstanding during the year Basic and Diluted	249,191,453	249,271,259	

See accompanying notes to consolidated financial statements.

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SILVER HORN MINING LTD. AND SUBSIDIARIES
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE PERIOD FROM INCEPTION OF EXPLORATION STAGE (APRIL 25, 2011) TO THE YEAR ENDED DECEMBER 31, 2013

	Preferred Stock - Series A $0.0001 Par Value		Preferred Stock - Series D $0.0001 Par Value		Common Stock		Additional Paid in Capital	Accumulated Deficit	Stockholders' Deficit
Balance from inception of exploration stage (April 25, 2011)	3,000,000	$300	-	-	185,833,555	$18,583	$29,215,354	$(41,947,270)	$(12,713,033)
Issuance of common stock for cash	-	-	-	-	11,000,000	1,100	548,900	-	550,000
Issuance of common stock for services	-	-	-	-	1,000,000	100	129,900	-	130,000
Contributed capital	-	-	-	-	-	-	95,000	-	95,000
Reclassification of derivative liability upon extinguishment of convertible debentures	-	-	-	-	-	-	12,857,466	-	12,857,466
Issuance of common stock in connection with the conversion of convertible debentures	-	-	-	-	18,000,000	1,800	448,200	-	450,000
Stock-based compensation in connection with options granted	-	-	-	-	-	-	332,132	-	332,132
Issuance of common stock in connection									

with the transfer and conveyance of unpatented mining claims	-	-	-	-	10,000,000	1,000	499,000	-	500,000
Net Loss	-	-	-	-	-	-	-	(2,834,820)	(2,834,820)
Balance, December 31, 2011	3,000,000	300	-	-	225,833,555	22,583	$44,125,952	(44,782,090)	(633,255)
Issuance of common stock for cash	-	-	-	-	-	-	-	-	-
Issuance of common stock for services	-	-	-	-	25,000,000	2,500	3,497,500	-	3,500,000
Issuance of common stock for accrued director's fees	-	-	-	-	-	-	-	-	-
Beneficial conversion feature in connection with a convertible promissory note	-	-	-	-	-	-	90,000	-	90,000
Issuance of common stock in connection with the conversion of convertible debentures	-	-	-	-	2,200,000	220	54,780	-	55,000
Stock-based compensation in connection with options granted	-	-	-	-	-	-	41,516	-	41,516
Issuance of preferred stock for cash	-	-	1,000,000	100	-	-	49,900	-	50,000
Net Loss	-	-	-	-	-	-	-	(4,811,072)	(4,811,072)
Balance, December 31, 2012	3,000,000	300	1,000,000	100	253,033,555	25,303	47,859,648	(49,593,162)	(1,707,811)

Issuance of common stock in connection with the conversion of convertible debentures	-	-	-	-	8,112,733	811	310,718	-	311,529
Reclassification of derivative liability upon extinguishment of convertible debentures	-	-	-	-	-	-	6,332	-	6,332
Cancellation of common stock	-	-	-	-	(34,500,000)	(3,450)	3,450	-	-
Net Income	-	-	-	-	-	-	-	624,118	624,118
Balance, December 31, 2013	3,000,000	$300	1,000,000	$100	226,646,288	$22,664	$48,180,148	$(48,969,044)	$(765,832)

See accompanying notes to consolidated financial statements.

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Silver Horn Mining, Ltd.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows

	For the Years Ended December 31, 2013	For the Years Ended December 31, 2012	For the Period From April 25, 2011 (Inception of Exploration Stage) to December 31, 2013
Cash Flows From Operating Activities:			
Net Income (Loss)	$ 624,118	$ (4,811,073)	$ (7,021,773)
Adjustments to reconcile net income loss to net cash used in operations			
Amortization of prepaid expenses	-	-	95,034
Amortization of debt issuance costs	-	517	5,206
Amortization of debt discount	33,272	119,151	487,236
Interest expense in connection with the conversion of debentures	68,147	-	68,147
Impairment of mineral rights	-	-	500,000
Derivative liability expense	-	174,128	174,128
Change in fair value of derivative liabilities	(32,614)	(160,740)	487,586
Stock based consulting	-	-	130,000
Stock based compensation expense	-	41,516	373,648
Common stock issued for services	-	3,500,000	3,500,000
Gain from settlement of debt	(1,285,872)	-	(1,285,872)
Changes in operating assets and liabilities:			
Decrease in prepaid expenses	7,500	32,446	11,141
Increase in accounts payable and accrued expenses	585,429	911,528	1,691,688
Net Cash Used In Operating Activities	(20)	(192,527)	(783,831)
Cash Flows From Financing Activities:			
Proceeds from issuance of preferred stock	-	50,000	50,000
Proceeds from issuance of common stock	-	-	550,000
Net proceeds from debentures	-	127,500	127,500
Net Cash Provided by Financing Activities	-	177,500	727,500
Net decrease in Cash	(20)	(15,027)	(56,331)
Cash at Beginning of Year	20	15,047	56,331
Cash at End of Year	$ -	$ 20	$ -
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ -	$ -	$ -
Cash paid for taxes	$ -	$ -	$ -

Supplemental disclosure of non-cash investing and financing activities:						
Contributed capital in connection with an extinguishment of a convertible debenture	$	-	$	-	$	31,666
Issuance of common stock for convertible debentures - principal amount	$	243,382	$	55,000	$	505,000
Reclassification of derivative liability to equity	$	6,332	$	-	$	9,904,767
Issuance of common stock in connection with the transfer and conveyance of certain silver mining claim	$	-	$	-	$	500,000
Issuance of convertible promissory notes	$	-	$	-	$	105,882
Operating expenses paid by a minority stockholder directly to the Company's vendors	$	19,675	$	-	$	19,675

See accompanying notes to consolidated financial statements.

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SILVER HORN MINING LTD. AND SUBSIDIARIES
(AN EXPLORATION STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business

The Company was incorporated under the name “Swifty Carwash & Quick-Lube, Inc.” in the state of Florida on September 25, 1997. On October 22, 1999, the Company changed its name from “Swifty Carwash & Quick-Lube, Inc.” to “SwiftyNet.com, Inc.” On January 29, 2001, the Company changed its name from “SwiftyNet.com, Inc.” to “Yseek, Inc.” On June 10, 2003, the Company changed its name from “Yseek, Inc.” to “Advanced 3-D Ultrasound Services, Inc.”

The Company merged with a private Florida corporation known as World Energy Solutions, Inc. effective August 17, 2005. Advanced 3D Ultrasound Services, Inc. remained as the surviving entity as the legal acquirer, and the Company was the accounting acquirer. On November 7, 2005, the Company changed its name to World Energy Solutions, Inc. (“WESI”). On November 7, 2005, WESI merged with Professional Technical Systems, Inc. WESI remained as the surviving entity as the legal acquirer, while PTS was the accounting acquirer. On February 26, 2009, the Company had changed its name to EClips Energy Technologies, Inc. Effective April 25, 2011, the Company changed its name to “Silver Horn Mining Ltd.” from “EClips Media Technologies, Inc.”. The name change was effected pursuant to Section 253 of the Delaware General Corporation Law by merging a newly-formed, wholly-owned subsidiary of the Company with and into the Company, with the Company as the surviving corporation in the merger. Following the subsidiary merger, the Company intends to focus its efforts on mining and resources, principally silver exploration and production. As a result of the Company’s focus on mineral exploration, the Company is considered an exploration stage company.

During the year ended December 31, 2013, a minority stockholder of the Company paid operating expenses on behalf of the Company for a total of $19,675. These advances are short term in nature, non-interest bearing and due on demand. Such amount is included in the caption accounts payable and accrued expenses as reflected in the accompanying consolidated balance sheets as of December 31, 2013.

Discontinued Operations

The Company’s former operations were developing and manufacturing products and services, which reduce fuel costs, save power and energy and protect the environment. The products and services were made available for sale into markets in the public and private sectors. In December 2009, the Company discontinued these operations and disposed of certain of its subsidiaries, and prior periods have been restated in the Company’s consolidated financial statements and related footnotes to conform to this presentation.

The remaining liabilities for discontinued operations are presented in the consolidated balance sheets under the caption “Liabilities for discontinued operation” and relates to the discontinued operations of developing and manufacturing of energy saving and fuel efficient products and services. The carrying amounts of the major classes of these liabilities as of December 31, 2013 and 2012 are summarized as follows:

	December 31, 2013	December 31, 2012
Assets of discontinued operations	$ -	$ -
Liabilities		
Accounts payables and accrued expenses	$ (112,397)	$ (112,397)

Liabilities of discontinued operations	$	112,397	$	112,397

Basis of Presentation and Principles of Consolidation

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”). The consolidated financial statements of the Company include the Company and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

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Exploration Stage Company

The Company has been in the exploration stage since April 25, 2011 and has not yet realized any revenues from its planned operations. The Company intends to focus on acquiring and exploring natural resource properties. Accordingly, the Company is an exploration stage company as defined in ASC 915 “Development Stage Entities”.

Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial condition, and revenues and expenses for the years then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate stock-based compensation, derivative liabilities, debt discount and common stock issued for services.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with a high credit quality financial institution. The Company’s account at this institution is insured by the Federal Deposit Insurance Corporation (“FDIC”) up to $250,000. At December 31, 2013, the Company has not reached bank balances exceeding the FDIC insurance limit on interest bearing accounts. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

Fair value of financial instruments

The Company adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, “Fair Value Measurements and Disclosures”, for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing US GAAP that require the use of fair value measurements which establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity’s own assumptions.

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The following table presents a reconciliation of the derivative liability measured at fair value on a recurring basis using significant unobservable input (Level 3) from January 1, 2012 to December 31, 2013:

	Conversion feature derivative liability	Warrant liability	Total
Balance at January 1, 2012	$ —	$ —	$ —
Recognition of derivative liability	103,313	108,316	211,629
Change in fair value included in earnings	(88,317)	(72,424)	(160,740)
Balance at December 31, 2012	14,996	35,892	50,888
Reclassification of derivative liability upon conversion of debt to equity	(6,332)	—	(6,332)
Change in fair value included in earnings	(8,664)	(23,950)	(32,614)
Balance at December 31, 2013	$ —	$ 11,942	$ 11,942

The Company did not identify any other assets or liabilities that are required to be presented on the consolidated balance sheets at fair value in accordance with the accounting guidance. The carrying amounts reported in the balance sheet for cash, accounts payable, and accrued expenses approximate their estimated fair market value based on the short-term maturity of the instruments.

Mineral Property Acquisition and Exploration Costs

Costs of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company has chosen to expense all mineral exploration costs as incurred given that it is still in the exploration stage. Once the Company has identified proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs will be amortized, using the units-of-production method over the estimated life of the probable-proven reserves. When the Company has capitalized mineral properties, these properties will be periodically assessed for impairment of value and any diminution in value. To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all costs are being expensed. During the years ended December 31, 2013 and 2012, the Company incurred exploration cost of $5,000 and $115,832, respectively. For the period from April 25, 2011 (Inception) through December 31, 2013, the Company incurred exploration cost of $277,195. As of December 31, 2013, the Company has yet to establish proven or probable reserves on any of its mineral properties.

Stock Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the "measurement date." The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

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Income Taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized.

The Company accounts for income taxes under the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, "Accounting for Income Taxes. It prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. As a result, the Company has applied a more-likely-than-not recognition threshold for all tax uncertainties. The guidance only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the various taxing authorities.

The Company classifies penalties and interest related to unrecognized tax benefits as income tax expense in the Statements of Operations.

Related Parties

Parties are considered to be related to the Company if the parties that, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions.

Earnings per Common Share

Net loss per common share is calculated in accordance with ASC Topic 260: Earnings Per Share ("ASC 260"). Basic loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. The computation of diluted net earnings per share for all periods presented does not include potentially dilutive common stock equivalents in the weighted average shares outstanding as they were anti-dilutive. The computation of basic and diluted earnings (loss) per share for the years ended December 31, 2013 and 2012 excludes the common stock equivalents of the following potentially dilutive securities because their inclusion would be anti-dilutive:

	December 31, 2013	December 31, 2012
Convertible Debt (Conversion price - $0.05/share)	-	6,867,640
Stock Warrants (Exercise price - $0.03 - $0.05/share)	36,750,000	36,750,000
Total	36,750,000	43,617,640

Recent Accounting Pronouncements

Accounting standards that have been issued or proposed by the Financial Accounting Standards Board that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

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NOTE 2 - GOING CONCERN CONSIDERATIONS

The accompanying consolidated financial statements are prepared assuming the Company will continue as a going concern. At December 31, 2013, the Company had an accumulated deficit of approximately $49.0 million, and a working capital deficiency of approximately $766,000. These factors raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon obtaining additional capital and financing. Management intends to attempt to raise additional funds by way of a public or private offering. While the Company believes in the viability of its strategy to raise additional funds, there can be no assurances to that effect. The consolidated financial statements do not include any adjustments relating to classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 3 – MINERAL CLAIMS

As of the date of these consolidated financial statements, the Company has not established any proven or probable reserves on its mineral properties and incurred only acquisition and exploration costs.

THE 76 PROPERTY

The 76 Property is located in Yavapai County, Arizona, 50 miles northwest of Pheonix, Arizona. The property consists of 36 federal unpatented lode mining claims on Bureau of Land Management ("BLM") land totaling 720 acres that the Company acquired pursuant to a quitclaim deed that was purchased from Can-Am Gold Corp. for $10.00 on April 26, 2011 (see Note 7). To maintain the mining claims in good standing, the Company must make annual maintenance fee payments to the BLM, in lieu of annual assessment work. These claim fees are $140 per claim per year, plus an annual fee of $10 per claim per year to Yavapai County.

The Company is currently planning an exploration program consisting of sampling, mapping and assaying to determine potential targets for drilling and further development. The 76 Property does not currently have any reserves. All activities undertaken and currently proposed at the 76 Property are exploratory in nature.

THE COD PROPERTY

The COD Property is located in Mohave County, Arizona, 7 miles southwest of Chloride, Arizona. The property consists of 14 federal unpatented lode mining claims on BLM land totaling 280 acres. The Company filed the claims with the BLM on July 1, 2011. To maintain the mining claims in good standing, the Company must make annual maintenance fee payments to the BLM, in lieu of annual assessment work. These claim fees are $140 per claim per year, plus an annual fee of $10 per claim per year to Mohave County. The Company is currently planning an exploration program consisting of sampling, mapping and assaying to determine potential targets for drilling and further development. The COD Property does not currently have any reserves. All activities undertaken and currently proposed at the COD Property are exploratory in nature. On September 18, 2011, the Company received a notice from a third party claiming that, of the Company's 14 mining claims on the COD Property in Mohave County, Arizona, 9 are situated overlapping this third party's 7 claims that allegedly predate the Company's claims, and requesting that the Company cease and desist from sampling or removing any ores from these properties. The Company believes that the third party's demands are without merit and the Company may pursue any and all available legal actions and remedies.

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NOTE 4 – CONVERTIBLE DEBENTURES AND NOTES PAYABLE

At December 31, 2013 and 2012, convertible debentures and notes payable consisted of the following:

	December 31, 2013	December 31, 2012
Convertible debentures and notes payable	$ -	$ 243,382
Less: debt discount	-	(33,272)
Convertible debentures and notes payable– net	$ -	$ 210,110

Convertible Debentures

On February 4, 2010 the Company issued $200,000 of its 6% convertible debentures for an aggregate purchase price of $200,000. The debentures bore interest at 6% per annum and matured twenty-four months from the date of issuance. The debenture was convertible at the option of the holder at any time into shares of common stock, at an initial conversion price equal to the lesser of (i) $0.05 per share or (ii) until the eighteen (18) month anniversary of the debenture, the lowest price paid per share or the lowest conversion price per share in a subsequent sale of the Company's equity and/or convertible debt securities paid by investors after the date of the debenture. In connection with the agreement, the investor received a warrant to purchase 4,000,000 shares of the Company's common stock. The warrant is exercisable for a period of five years from the date of issuance at an initial exercise price of $0.05, subject to adjustment in certain circumstances. The Investor may exercise the warrant on a cashless basis if the fair market value (as defined in the warrant) of one share of common stock is greater than the Initial Exercise Price. In accordance with ASC 470-20-25, the convertible debentures were considered to have an embedded beneficial conversion feature because the effective conversion price was less than the fair value of the Company's common stock.

These convertible debentures were fully convertible at the issuance date thus amounts allocated to the beneficial conversion feature and the warrants were treated as discounts on the 6% senior convertible debentures and were valued at $200,000 to be amortized over the debenture term. The fair value of the warrant was estimated on the date of grant using the Black-Scholes option-pricing model using the following weighted-average assumptions: expected dividend yield of 0%; expected volatility of 219%; risk-free interest rate of 2.29% and an expected holding period of five years. The Company paid a legal fee of $12,500 in connection with this debenture.

Between March 2010 and June 2010, the Company entered into securities purchase agreements with accredited investors pursuant to which the Company agreed to issue an aggregate of $750,000 of its 6% senior convertible debentures with the same terms and conditions of the debentures issued on February 4, 2010. In connection with the Agreement, the Investors received warrants to purchase 30,000,000 shares of the Company's common stock. The warrants are exercisable for a period of five years from the date of issuance at an initial exercise price of $0.025, subject to adjustment in certain circumstances. In accordance with ASC 470-20-25, the convertible debentures were considered to have a beneficial conversion feature because the effective conversion price was less than the fair value of the Company's common stock. These convertible debentures were fully convertible at the issuance date thus amounts allocated to the beneficial conversion feature and the warrants were treated as a discount on the 6% senior convertible debentures of $750,000 to be amortized over the debenture term. The fair value of this warrant was estimated on the date of grant using the Black-Scholes option-pricing model using the following weighted-average assumptions: expected dividend yield of 0%; expected volatility of 211%; risk-free interest rate of 2.43% and an expected holding period of five years.

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In January 2011, two note holders (the “Assignors”) of the Company’s 6% convertible debentures entered into an Assignment agreement with an unrelated party (the “Assignee”) whereby the Assignors assigned a total principal amount of $250,000 of the convertible debentures (the “Assigned Debenture”) and warrants to purchase 5,000,000 shares of common stock (the “Assigned Warrants”) (the Assigned Debenture and the Assigned Warrants collectively, the “Assigned Securities”). The Assignee purchased the Assigned Securities for $300,000. Contemporaneously with the closing of this agreement, the Assignee converted the Assigned Debenture into shares of the Company’s common stock and exercised the Assigned Warrants for total net proceeds of $125,000 to the Company. The Company issued 10,000,000 shares in connection with the conversion of the Assigned Debenture and 5,000,000 shares in connection with the exercise of the Assigned Warrants.

In April 2011, a note holder (the “Assignor”) of the Company’s 6% convertible debentures entered into an Assignment agreement with two unrelated parties (the “Assignees”) whereby the Assignor assigned a total principal amount of $125,000 of the convertible debentures (the “Assigned Debenture”). The Assignees purchased the Assigned Debenture for $125,000. Contemporaneously with the closing of this agreement, the Assignees converted the Assigned Debenture into shares of the Company’s common stock. The Company issued 5,000,000 shares in connection with the conversion of the Assigned Debenture.

Between January 2011 and June 2011, Brand Interaction Group, LLC has paid approximately $95,000 in connection with the spinoff agreement entered into during fiscal 2010 and such amount reduced the principal balance of the outstanding convertible debentures held by the Company’s debenture holders and recognized capital contribution of $95,000 to additional paid in capital.

In December 2011, the note holders of the Company’s 6% convertible debentures converted a total principal amount of $325,000 of the convertible debentures into common stock. The Company issued 13,000,000 shares in connection with the conversion of these convertible debentures.

On February 7, 2012, the note holders of the Company’s 6% convertible debentures converted a total principal amount of $55,000 of the convertible debentures into common stock. The Company issued 2,200,000 shares in connection with the conversion of these convertible debentures.

On May 9, 2012, the Company entered into a securities purchase agreement with an accredited investor pursuant to which the Company agreed to issue $37,500 of its 6% convertible debentures for an aggregate purchase price of $37,500. The debenture bore interest at 6% per annum and matures twenty-four months from the date of issuance. The debenture was convertible at the option of the holder at any time into shares of common stock, at an initial conversion price equal to the lesser of (i) $0.05 per share or (ii) until the eighteen (18) month anniversary of the debenture, the lowest price paid per share or the lowest conversion price per share in a subsequent sale of the Company’s equity and/or convertible debt securities paid by investors after the date of the debenture. In connection with the agreement, the investor received a warrant to purchase 750,000 shares of the Company’s common stock. The warrant is exercisable for a period of five years from the date of issuance at an initial exercise price of $0.05, subject to adjustment in certain circumstances. The investor may exercise the warrant on a cashless basis if the fair market value (as defined in the warrant) of one share of common stock is greater than the initial exercise price.

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On November 8, 2013, the Company entered into a note amendment agreement with the lender of the remaining outstanding balance of the 6% convertible debentures amounting to $137,500 pursuant to which the lender agreed to change the conversion price of $137,500 convertible notes to $0.03 per share from $0.05 per share. On November 8, 2013, the Company issued an aggregate of 4,583,333 shares of common stock in connection with the conversion of the remaining balance of the 6% convertible debenture which amounted to $137,500 at the new conversion price (see Note 5). The Company accounted the reduction of the conversion price from $0.05 to $0.03 per share and such conversion under ASC 470-20-40 "Debt with Conversion and Other Options" and accordingly, during the year ended December 31, 2013, the Company recorded interest expense of $38,500 which is equal to the fair value of shares issued in excess of the fair value issuable pursuant to the original conversion terms.

In accordance with ASC Topic 815 "Derivatives and Hedging", the convertible debentures and warrants above included a down-round provision under which the conversion price could be affected by future equity offerings. Instruments with down-round protection are not considered indexed to a company's own stock under ASC Topic 815, because neither the occurrence of a sale of common stock by the company at market nor the issuance of another equity-linked instrument with a lower strike price is an input to the fair value of a fixed-for-fixed option on equity shares. During fiscal year 2011, the down-round provisions for convertible debentures and warrants that were issued during fiscal 2010 were terminated after 18 months from such issuance pursuant to the Debenture agreement and thus no longer considered derivatives. However, the down-round provisions for the warrants that were issued in May 2012 are considered derivatives as of December 31, 2013 (see Note 9).

Convertible Notes Payable

On February 29, 2012, the Company entered into note purchase agreements with certain investors whereby it sold an aggregate of $105,882 of convertible promissory notes at an aggregate purchase price of $90,000. These investors included Daniel Bleak, the Company's former chief executive officer, and several of the Company's existing shareholders. The notes matured on February 28, 2013. The Company acknowledges and agrees that this note was issued at an original issue discount. No regularly scheduled interest payments were paid on this note.

The face value of each note was convertible at the holder's option, in whole or in part, at any time at least three months following the date of issuance into shares of the Company's common stock at a conversion price of $0.05 per share, were subject to adjustment in the case of stock splits, reclassifications, reorganizations, and mergers or consolidations upon issuances at less than the conversion price. Further, at any time prior to the maturity date or conversion as set forth in the prior sentence, the face value of each note shall be exchanged into the applicable dollar amount of equity securities issued by the Company in a subsequent financing of at least $1,000,000 at a conversion price of $0.05 per share of the Company's common stock. Until such time that the notes are no longer outstanding, without the consent of the holders, the Company was prohibited from incurring certain debt, selling any accounts receivable or declaring any dividend. The Company concluded that since these notes did not include a down-round provision under which the conversion price could be affected by future equity offerings, the embedded conversion feature was not considered a derivative.

On November 8, 2013, the Company entered into note amendment agreements with these investors pursuant to which the parties agreed to change the conversion price of $105,882 convertible notes to $0.03 per share from $0.05 per share. On November 8, 2013, the Company issued an aggregate of 3,529,400 shares of common stock in connection with the conversion of each of the amended notes at the new conversion price (see Note 5). The Company accounted the reduction of the conversion price from $0.05 to $0.03 per share and such conversion under ASC 470-20-40 "Debt with Conversion and Other Options” and accordingly, during the year ended December 31, 2013, the Company recorded interest expense of $29,647 which is equal to the fair value of shares issued in excess of the fair value issuable pursuant to the original conversion terms.

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The Company recorded a debt discount of $15,882 which represents the difference between the principal amount of $105,882 over the proceeds received or $90,000. Additionally, in accordance with ASC 470-20-25, the notes were considered to have a beneficial conversion feature because the effective conversion price was less than the fair value of the Company’s common stock. These notes were fully convertible at the issuance date thus the value of the beneficial conversion were treated as a discount and were valued at $90,000. The total debt discount of $105,882 was amortized through the date of conversion.

Total amortization of debt discounts for the convertible debentures amounted to $33,272 and $119,151 for the years ended December 31, 2013 and 2012, respectively, and is included in interest expense. Accrued interest as of December 31, 2013 and 2012 amounted to $98,275 and $79,120 respectively, and is included in accounts payable and accrued expenses as reflected in the accompanying consolidated balance sheets.

NOTE 5 – STOCKHOLDERS’ DEFICIT

Capital Structure

The authorized capital of the Company consists of 750,000,000 shares of common stock, par value $0.0001 per share and 10,000,000 shares of preferred stock, par value $0.0001 per share of which 3,000,000 shares have been designated as series A Preferred Stock, and 1,000,000 shares as series D Preferred Stock.

Each share of Series A Preferred Stock is convertible into one share each of the Company’s common stock, subject to equitable adjustments after such events as stock dividends, stock splits or fundamental corporate transactions. The holders of the Company’s Series A Preferred Stock are entitled to 250 votes for each share of Series A Preferred Stock owned at the record date for the determination of shareholders entitled to vote, or, if no record date is established, at the date such vote is taken or any written consent of shareholders is solicited. In the event of a liquidation, dissolution or winding up of our business, the holder of the Series A Preferred Stock would have preferential payment and distribution rights over any other class or series of capital stock that provide for Series A Preferred Stock’s preferential payment and over the Company’s common stock. The Series A Preferred stock does not include any mandatory redeemable provisions.

Preferred Stock

In November 2012, the Company authorized 4,000,000 shares of Series D Preferred Stock. Each share of Series D Preferred Stock may be converted at any time at the holder’s election into 5 shares of the Company’s common stock; provided, however, that a holder of the Series D Preferred Shares shall not be entitled to convert shares of Series D Preferred Stock if upon such conversion the number of shares of common stock to be received, together with the number of shares of common stock beneficially owned by the holder and its affiliates on the conversion date, would result in beneficial ownership by the holder and its affiliates of more than 9.99% of the outstanding shares of common stock of the Company on such conversion date.

In November 2012, the Company issued an aggregate of 1,000,000 shares of Series D Preferred Stock to investors for an aggregate purchase price of $50,000.

Common Stock

In June 2011, a note holder (the “Assignor”) of the Company’s 6% convertible debentures entered into an Assignment agreement with two unrelated parties (the “Assignees”) whereby the Assignor assigned a total principal amount of $125,000 of the convertible debentures (the “Assigned Debenture”). The Assignees purchased the Assigned Debenture for $125,000. Contemporaneously with the closing of this agreement, the Assignees converted the Assigned Debenture into shares of the Company’s common stock. The Company issued 5,000,000 shares in connection with the conversion of the Assigned Debenture.

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On May 2, 2011, the Board of Directors appointed Daniel Bleak as Chairman and Chief Executive Officer. On May 2, 2011 the Company issued to Daniel Bleak 10 million shares of the Company's common stock and a five year option to purchase 30 million shares of Common Stock. The option may be exercised for cash or shares of Common Stock at an exercise price of $0.05 per share. The options vest and become exercisable in equal installments of the first three anniversaries of the effective date, provided Mr. Bleak continues to serve the Company as a director on such dates. The option was issued in connection with the appointment of Mr. Bleak as the Chairman and Chief Executive of the Company and the transfer and conveyance of certain silver mining claims owned by Can-Am Gold Corp. whereby its President and sole director is Mr. Bleak. The Company valued these common shares at the recent subscription price on the date of grant at $0.05 per share (based on the recent selling price of the Company's common stock below) or $500,000. Accordingly, the Company recorded mineral cost of $500,000 in connection with the transfer and conveyance of certain silver mining claims to the Company. The Company recorded an impairment loss of $500,000 in 2011 to reduce the carrying amount to zero.

On May 23, 2011, the Company entered into subscription agreements with certain investors whereby it sold an aggregate of 11 million shares of the Company's common stock at a purchase price of $0.05 per share or an aggregate purchase price of $550,000.

In December 2011, the note holders of the Company's 6% convertible debentures converted a total principal amount of $325,000 of the convertible debentures into common stock. The Company issued 13,000,000 shares in connection with the conversion of these convertible debentures. The conversion price of such shares issued amounted to $0.025 per share.

In December 2011, the Company issued 1,000,000 shares of the Company's common stock of the Company to a consultant for consulting and investor relations services rendered. The Company valued these common shares at the fair market value on the date of grant at $0.13 per share or $130,000. In connection with the issuance of these shares during the year ended December 31, 2011, the Company recorded stock based consulting of $130,000.

On February 7, 2012, the note holders of the Company's 6% convertible debentures converted a total principal amount of $55,000 of the convertible debentures into common stock. The Company issued 2,200,000 shares in connection with the conversion of these convertible debentures. The conversion price of such shares issued amounted to $0.025 per share.

On February 21, 2012, the Company entered into a stock option cancellation agreement (the "Cancellation Agreement") with Daniel Bleak, pursuant to which the stock option (the "Option") to purchase 30,000,000 shares of common stock granted on May 2, 2011 to Mr. Bleak in connection with his appointment as the Chairman and Chief Executive Officer of the Company was cancelled. As of the date of the Cancellation Agreement, the entire Option remained unexercised.

On February 21, 2012 the Company granted Mr. Bleak 25,000,000 restricted shares of common stock as compensation for his continued services. The Company valued these common shares at the fair market value on the date of grant at $0.14 per share or $3,500,000.

On November 8, 2013, Daniel Bleak resigned from all of his positions with the Company, including director, President, Chief Executive Officer, Chief Financial Officer, Treasurer, Secretary, and Chairman of the board of directors. On November 8, 2013, the Company and Daniel Bleak entered into an agreement to cancel 34,500,000 shares of common stock held by Mr. Bleak pursuant to the terms of a cancellation and recapitalization agreement. The Company valued and recorded the cancelled shares at par value or $3,450 in additional paid in capital.

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On November 8, 2013, the Company entered into note amendment agreements with certain investors pursuant to which the parties agreed to change the conversion price of $243,382 convertible notes to $0.03 per share from $0.05 per share (see Note 4). Also on November 8, 2013, the Company issued an aggregate of 8,112,733 shares of common stock in connection with the conversion of each of the amended notes at the new conversion price. The Company accounted the reduction of the conversion price from $0.05 to $0.03 per share and such conversion under ASC 470-20-40 “Debt with Conversion and Other Options” and accordingly, during the year ended December 31, 2013, the Company recorded interest expense of $68,147 which is equal to the fair value of shares issued in excess of the fair value issuable pursuant to the original conversion terms.

Stock Options

On May 2, 2011 the Company issued to Daniel Bleak a five year option to purchase 30 million shares of Common Stock. The option was exercised for cash or shares of Common Stock at an exercise price of $0.05 per share as defined in the option agreement. The options vest and become exercisable in equal installments of the first three anniversaries of the effective date, provided Mr. Bleak continues to serve the Company as a director on such dates. The 30 million options were valued on the grant date at $0.05 per option or a total of $1,494,596 using a Black-Scholes option pricing model with the following assumptions: stock price of $0.05 per share (based on the recent selling price of the Company’s common stock), volatility of 259%, expected term of 5 years, and a risk free interest rate of 1.96%.

On February 21, 2012, the Company entered into a stock option cancellation agreement with Daniel Bleak, pursuant to which the stock option to purchase 30 million shares of common stock granted on May 2, 2011 to Mr. Bleak was cancelled.

For the years ended December 31, 2013 and 2012, the Company recorded stock-based compensation expense related to stock options of $0 and $41,516, respectively.

A summary of the status of the Company’s outstanding stock options and changes during the year ended December 31, 2012 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at January 1, 2012	30,000,000	$ 0.05	—
Granted	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Cancelled	(30,000,000)	0.05	—
Balance outstanding at December 31, 2012	—	$ —	—

There were no changes that occurred during the year ended December 31, 2013. There were no options outstanding as of December 31, 2013.

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Stock Warrants

The following table summarizes the Company's stock warrants outstanding at December 31, 2013:

	Warrants Outstanding			Warrants Exercisable	
Exercise Price	Number Outstanding at December 31, 2013	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at December 31, 2013	Weighted Average Exercise Price
$ 0.025	36,000,000	1.06 Years	$ 0.025	36,000,000	$ 0.025
0.03	750,000	3.36 Years	0.03	750,000	0.03
$ 0.025	36,750,000	2.11 Years	$ 0.025	36,750,000	$ 0.025

There were no changes that occurred during the year ended December 31, 2013. There were 36,750,000 warrants outstanding as of December 31, 2013.

NOTE 6 – INCOME TAXES

The Company accounts for income taxes under ASC Topic 740: Income Taxes which requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and the tax basis of assets and liabilities, and for the expected future tax benefit to be derived from tax losses and tax credit carry forwards. ASC Topic 740 additionally requires the establishment of a valuation allowance to reflect the likelihood of realization of deferred tax assets. The Company has a net operating loss carry forward for tax purposes totaling approximately $24.6 million at December 31, 2013, expiring through the year 2033. Internal Revenue Code Section 382 places a limitation on the amount of taxable income that can be offset by carry forwards after certain ownership shifts.

The table below summarizes the differences between the Company's effective tax rate and the statutory federal rate as follows for the year ended December 31, 2013 and 2012:

	December 31, 2013	December 31, 2012
Tax expense (benefit) computed at "expected" statutory rate	$ 212,200	$ (1,623,524)
State income taxes, net of benefit	38,111	(178,110)
Permanent differences :		
Stock based compensation and consulting	-	14,11
Loss (gain) from change in fair value of derivative liability	(11,088)	(54,652)
Amortization of debt discount and other non-cash interest	34,482	40,511
Increase (decrease) in valuation allowance	(273,705)	1,801,660
Net income tax benefit	$ -	$ -

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Deferred tax assets and liabilities are provided for significant income and expense items recognized in different years for tax and financial reporting purposes. Temporary differences, which give rise to a net deferred tax asset is as follows:

	December 31, 2013	December 31, 2012
Deferred tax assets:	$ 9,730,279	$ 10,003,984
Net operating loss carryforward		
Other	-	-
Total deferred tax assets	$ 9,730,279	$ 10,003,984
Deferred tax liabilities:		
Book basis of property and equipment in excess of tax basis	$ -	$ -
Total deferred tax liabilities	$ -	$ -
Net deferred tax asset before valuation allowance	$ 9,730,279	$ 10,003,984
Less: valuation allowance	(9,730,279)	(10,003,984)
Net deferred tax asset	$ -	$ -

After consideration of all the evidence, both positive and negative, management has recorded a full valuation allowance at December 31, 2013 and 2012, due to the uncertainty of realizing the deferred income tax assets. The valuation allowance was decreased by $273,705.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Services and Employee Leasing Agreement

On June 1, 2011, the Company entered into a Services and Employee Leasing Agreement (the “Agreement”) with MJI Resource Management Corp. (“MJI”) pursuant to which the Company had agreed to pay MJI $15,000 a month and MJI agreed to make available to the Company six of its employees, including Mr. Bleak, for the purpose of performing management, operations, legal, accounting and resource location services. On August 1, 2011, the Company amended this Agreement whereby the Company had agreed to pay MJI $25,000 per month. On October 1, 2011, the Company entered into a third amendment of Agreement. Such amendment specifies the services and associated expenses in consideration for $25,000 a month as defined in the amended Agreement. Associated expenses include general administrative costs, rent, utilities and office supplies. The term of this Agreement was to commence for a period of 5 years. This Agreement may be terminated at any time by either party by giving a written notice to the other party and shall terminate 180 days following the delivery of such notice. Mr. Eckersley, one of the Company’s directors, was the former President of MJI, and Mr. Bleak serves as the sole Officer and Chairman of the Board for MJI. During the year ended December 31, 2013, 2012, and for the period from April 25, 2011 (inception) to December 31, 2013, the Company incurred $225,000, $300,000 and $525,000, respectively, of management fees. On November 8, 2013, this Agreement was terminated.

On November 8, 2013, contemporaneously with the termination of the Services and Employee Leasing Agreement with MJI, the Company entered into a debt forgiveness agreement with MJI, pursuant to which MJI forgave (i) $1,264,253 owed to them pursuant to outstanding invoices less $175,000 and (ii) all other debt incurred by the Company from January 1, 2011 through the November 8, 2013. The Company agreed to pay MJI $175,000 upon the closing of its future purchase of all or substantially all of the assets of a privately held or public operating company and simultaneous capital raising transaction (the “Financing”) as (i) a cash payment, (ii) conversion into the applicable dollar amount of securities issued by the Company in the Financing upon the same terms provided to the other investors in the Financing or (iii) a combination of (i) and (ii).

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Accordingly, during the year ended December 31, 2013, the Company recognized gain on settlement of debt of $1,089,253 in connection with this debt forgiveness agreement with MJI.

Debt forgiveness agreement

On November 8, 2013, the Company entered into a debt forgiveness agreement with Bond Media Group, Inc. ("Bond"), pursuant to which Bond forgave $196,619 owed to it pursuant to outstanding invoices and all other debt incurred by the Company from January 1, 2011 through the November 8, 2013. Accordingly, during the year ended December 31, 2013, the Company recognized gain on settlement of debt of $196,619 in connection with this debt forgiveness agreement with Bond Media Group, Inc.

Litigation

On January 20, 2012, a default judgment was entered against the Company in the Circuit Court of the Sixth Judicial Circuit in and for Pinellas County, Florida, for the amount of $47,362 stemming from a complaint filed against us on November 7, 2011 by Brimmer, Burke & Keelan, LLP., for non -payment of accounting services provided to the Company's predecessor World Energy Solutions, Inc. in 2008. Such amount is included in accounts payable and accrued expenses as reflected in the accompanying consolidated balance sheets.

NOTE 8 – RELATED PARTY TRANSACTIONS

On April 26, 2011, the Company purchased a quitclaim deed for the 76 Property from Can-Am Gold Corp. that conveyed to it all of Can-Am Gold Corp.'s rights, title and interest in 36 unpatented lode mining claims located in Yavapai County, Arizona. The Company paid ten dollars ($10.00) as consideration for the quitclaim deed. Mr. Bleak, the Company's former Chief Executive Officer, Chairman and Chief Financial Officer, is the president and sole director of Can-Am Gold Corp. Additionally, on May 2, 2011 the Company issued to Mr. Bleak 10 million shares of the Company's common stock and a five year option to purchase 30 million shares of common stock (see Note 5). The option was issued in connection with the previous appointment of Mr. Bleak as the Chairman and Chief Executive of the Company and the transfer and conveyance of certain silver mining claims owned by Can-Am Gold Corp.

On June 1, 2011, the Company entered into a one year Services and Employee Leasing Agreement with MJI pursuant to which the Company agreed to pay MJI $15,000 a month, as adjusted for additional services or upon the termination of the Agreement, and MJI agreed to make available to the Company six of its employees, including Mr. Bleak, for the purpose of performing management, operations, legal, accounting, and resource location services. The Company also pays the six employees an aggregate of $11,000 a month. This Agreement may be terminated at any time by either party. On August 1, 2011, the Company amended this Agreement whereby the Company agreed to pay MJI $25,000 per month, as adjusted for additional services or upon the termination of the Agreement. On October 1, 2011, the Company entered into a third amendment of Agreement. Such amendment specifies the services and associated expenses in consideration for $25,000 per month (as adjusted for additional services or upon termination of the Agreement) and extends the term of the Agreement to five years. Mr. Eckersley, one of the Company's former directors, was the former President of MJI. The Company's former operations manager is the current President of MJI. During the year ended December 31, 2013 and 2012, the Company incurred $225,000 and $300,000, respectively, of management fees. On November 8, 2013, this Agreement was terminated. Additionally on November 8, 2013, the Company entered into a debt forgiveness agreement with MJI, pursuant to which MJI forgave (i) $1,264,253 owed to them pursuant to outstanding invoices less $175,000 and (ii) all other debt incurred by the Company from January 1, 2011 through the November 8, 2013 (see Note 7). As of December 31, 2013 and 2012, accounts payable due to MJI amounted to approximately $175,000 and $849,170. Such amount owed to MJI is in connection with unpaid management fees, accrued salaries for services rendered by MJI's employees and reimbursable expenses paid by MJI for working capital purposes.

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On February 29, 2012, the Company entered into note purchase agreements with certain investors whereby it sold an aggregate of $105,882 of convertible promissory notes at an aggregate purchase price of $90,000. These investors include Daniel Bleak and several of the Company's existing shareholders (see Note 4).

On November 8, 2013, the Company entered into a note amendment agreement with Daniel Bleak pursuant to which the parties agreed to change the conversion price of a $23,529 convertible note to $0.03 per share from $0.05 per share (See Notes 4 and 5).

NOTE 9 – DERIVATIVE LIABILITIES

In June 2008, a FASB approved guidance related to the determination of whether a freestanding equity-linked instrument should be classified as equity or debt under the provisions of FASB ASC Topic No. 815-40, Derivatives and Hedging – Contracts in an Entity's Own Stock. The adoption of this requirement will affected accounting for convertible instruments and warrants with provisions that protect holders from declines in the stock price ("down-round" provisions). Warrants with such provisions are no longer recorded in equity and are reclassified as a liability.

Instruments with down-round protection are not considered indexed to a company's own stock under ASC Topic 815, because neither the occurrence of a sale of common stock by the company at market nor the issuance of another equity-linked instrument with a lower strike price is an input to the fair value of a fixed-for-fixed option on equity shares.

In connection with the issuance of its 6% convertible debentures and related warrants, the Company has determined that the terms of the convertible debentures and warrants include down-round provisions under which the conversion and exercise price could be affected by future equity offerings undertaken by the Company until the 18 month anniversary of such convertible debenture (see Note 4). Accordingly, the embedded conversion options and warrants are accounted for as liabilities at the date of issuance and adjusted to fair value through earnings at each reporting date. The Company has recognized derivative liabilities of $11,942 and $50,888 at December 31, 2013 and 2012, respectively. The gain (loss) resulting from the decrease (increase) in fair value of this convertible instrument was $32,614 and $160,740 for the years ended December 31, 2013 and 2012, respectively. Derivative liability expense was $0 and $174,128 for the years ended December 31, 2013 and 2012, respectively.

The Company used the following assumptions for determining the fair value of the convertible instruments granted under the Black-Scholes option pricing model:

	December 31, 2013	December 31, 2012
Expected volatility	235% - 320%	89% - 217%
Expected term	0.48 – 3.61Years	1.5 - 4.36 Years
Risk-free interest rate	0.09% - 1.39%	0.15% - 0.72%
Expected dividend yield	0%	0%

NOTE 10 – SUBSEQUENT EVENTS

On January 21, 2014, Patrick Avery was appointed as the Chief Executive Officer, President, Chief Financial Officer, Treasurer, director and Chairman of the board of directors (the "Board") of the Company upon the resignation of Andrew Uribe from all officer positions he held with the Company. Also on January 21, 2014, Glenn Kesner, the controlling stockholder of the Company and a former officer and director, was appointed as the Secretary of the Company. Mr. Uribe remains a director of the Company. In connection with the appointment of Mr. Avery, the Company intends to explore additional business opportunities and alternatives which may include the sale, disposition or suspension of its historic business operations.

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On January 21, 2014, the Board approved the adoption of a 2014 Equity Incentive Plan (the "2014 Plan"). The purpose of the 2014 Plan is to promote the success of the Company and to increase stockholder value by providing an additional means through the grant of awards to attract, motivate, retain and reward selected employees and other eligible persons. The 2014 Plan provides for the grant of incentive stock options, nonqualified stock options, restricted stock, restricted stock units, stock appreciation rights and other types of stock-based awards to the Company's employees, officers, directors and consultants. Pursuant to the terms of the 2014 Plan, either the Board or a board committee is authorized to administer the plan, including by determining which eligible participants will receive awards, the number of shares of common stock subject to the awards and the terms and conditions of such awards. Unless earlier terminated by the Board, the Plan shall terminate at the close of business on January 21, 2024. Up to 34,000,000 shares of common stock are issuable pursuant to awards under the 2014 Plan, as adjusted in a single adjustment for an issuance no later than sixty (60) days following the date of shareholder approval of the Plan in connection with (i) a private placement of the Company's securities in which the Corporation receives gross proceeds of at least $1,000,000 and (ii) an acquisition of at least 50 mining leases and/or claims in the Holbrook Basin.

On January 21, 2014, the Company entered into an employment agreement with Mr. Avery (the "Employment Agreement") whereby he agreed to serve as the Chief Executive Officer and Chairman of the board of directors for a period of two years, subject to renewal, in consideration for a base salary of $30,000 per month. The base salary shall increase to $40,000 per month if either of the following events occur: (i) the market value of the Company's common stock reaches or exceeds $50,000,000 for seven consecutive trading days or (ii) the Company completes a strategic acquisition in the Holbrook Basin whereby it acquires a land or mineral lease (or combination thereof) that increases the Company's land holdings (section or acre basis) by at least 50%. Under the terms of the Employment Agreement, Mr. Avery shall be eligible for an annual cash bonus in an amount equal to up to 120%, but not less than 80%, of his then-current base salary if the Company meets certain criteria, as established by the Board of Directors. The Employment Agreement shall terminate upon Mr. Avery's death, "Total Disability" (as defined in the Employment Agreement), upon the expiration of the initial term or any renewal term, at Mr. Avery's option upon 60 days prior written notice, at Mr. Avery's option, in the event of an act by the Company constituting "Good Reason" (as defined in the Employment Agreement) and at the Company's option, in the event of an act by Mr. Avery constituting "Cause" (as defined in the Employment Agreement. As further consideration for his services, Mr. Avery was issued an option under the 2014 Plan to purchase up to 7.5% of the outstanding common stock of the Company calculated on a post-Transaction pro forma basis at a per share price of $0.0001, which shall vest as follows: (i) 10% immediately on January 21, 2014, (ii) 45% on January 21, 2015 and (iii) the remaining 45% on January 21, 2016. "Transaction" is defined as (a) the consummation of a private placement of the Company's securities in which the Corporation receives gross proceeds of at least $1,000,000 and (b) the acquisition of at least fifty lease holdings in the Holbrook Basin in Arizona.

Also on January 21, 2014, the Company entered into a consulting agreement with Mr. Kesner pursuant to which Mr. Kesner shall provide administrative and management services to the Company for compensation of $7,500 per month and reimbursement for the cost of group family health insurance.

Also on January 21, 2014, the board approved non-employee director fees of $1,000 per month and issued to each of Mr. Uribe and Mohit Bhansali, the Company's non-employee directors, a four year option to purchase up to 4,500,000 of the Company's issued and outstanding common stock at a cashless exercise price of $0.0001 per share. The options vest immediately.

On January 21, 2014, the Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with Auracana pursuant to which it sold to Auracana its inactive wholly owned subsidiaries H-Hybrid Technologies, Inc., a Florida corporation (“Hybrid”) and RZ Acquisition Corp., a New York corporation (“RZ” and, together with Hybrid, the “Subsidiaries”). Auracana, as the owner of 3 million shares of the Company’s Series A Convertible Preferred Stock, is entitled to a super majority of the Company’s voting power and is the controlling stockholder of the Company. The Company sold the Subsidiaries to Auracana for a purchase price of $1.00.

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A wholly-owned subsidiary, Great West Resources, Inc., a Nevada corporation was formed on January 22, 2014.

On January 21, 2014, the Company's Board of Directors voted unanimously to approve the change in domicile from Delaware to Nevada (the "Reincorporation") and recommended the Reincorporation to its Stockholders for their approval. On January 21, 2014, the holders of in excess of 90% of the outstanding voting stock consented in writing to approve the Reincorporation. The Reincorporation was consummated on March 28, 2014 pursuant to an Agreement and Plan of Merger (the "Merger Agreement") between the Company and its wholly owned subsidiary Great West Resources, Inc., a Nevada corporation ("Great West") pursuant to which the Company merged with and into Great West, with Great West as the surviving corporation that operates under the name "Great West Resources, Inc." (the "Merger").

On the effective date of the Merger:

(a) Each share of the Company's Common Stock issued and outstanding immediately prior to the effective date changed and converted into 1/150th fully paid and nonassessable shares of Great West Common Stock;

(b) Each share of the Company's Series A Preferred Stock issued and outstanding immediately prior to the effective date changed and converted into 1/150th fully paid and nonassessable shares of the Great West Series A Preferred Stock;

(c) Each share of the Company's Series D Preferred Stock issued and outstanding immediately prior to the effective date changed and converted into 1/150th fully paid and nonassessable shares of the Great West Series B Preferred Stock;

(d) All options to purchase shares of the Company's Common Stock issued and outstanding immediately prior to the effective date changed and converted into equivalent options to purchase 1/150th of a share of Great West Common Stock at an exercise price of $0.0001 per share;

(e) All warrants to purchase shares of the Company's Common Stock issued and outstanding immediately prior to the effective date changed and converted into equivalent warrants to purchase 1/150th of a share of Great West Common Stock at 150 times the exercise price of such converted warrants; and

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(f) Each share of Great West Common Stock issued and outstanding immediately prior to the Effective Date were canceled and returned to the status of authorized but unissued Great West Common Stock.

In lieu of issuing fractional shares of Great West Common Stock or Great West Preferred Stock or options or warrants to purchase fractional shares of Great West Common Stock, to the extent that a holder’s shares of the Company’s Common Stock, the Company’s Series A Preferred Stock or the Company’s Series D Preferred Stock, when aggregated together with shares of the same class, did not convert to whole shares of Great West Common Stock, Great West Series A Preferred Stock or Great West Series B Preferred Stock, as applicable, the resulting fractional shares were rounded up to the closest full share, and all options and warrants to purchase fractional shares of Great West Common Stock were rounded up to purchase the next full share of Great West Common Stock.

Upon consummation of the Merger and resulting Reincorporation, the daily business operations of Great West continued as they were conducted by the Company immediately prior to the Merger, at the Company’s principal executive offices at 18 Falcon Hills Drive, Colorado 80126. The officers and directors of the Company became the officers and directors of Great West.

The Reincorporation effected a change in the legal domicile of the Company to Nevada from Delaware. However, the Reincorporation did not result in any change in the Company’s business, management, location of its principal executive offices, assets, liabilities or net worth (other than as a result of the costs incident to the Reincorporation, which are immaterial).