

CLIFTON MINING COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024

Clifton Mining Company
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March 31, 2024

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CLIFTON MINING COMPANY
Consolidated Balance Sheets

<u>ASSETS</u>	March 31, 2024	December 31, 2023
CURRENT ASSETS		
Cash	\$ 1,434,424	\$ 1,368,281
Receivables	1,050	10,851
Prepaid expenses	6,445	18,652
Total Current Assets	1,441,919	1,397,784
PROPERTY AND EQUIPMENT – IDLE PROPERTY		
Mineral properties (Note 3)	1,065,140	1,068,215
Buildings, net (Note 6)	115,370	117,732
Total Property and Equipment, Net	1,180,510	1,185,947
OTHER ASSETS		
Equity investment in affiliate (Notes 1, 2)	1,830,499	1,798,922
Restricted cash-reclamation bonds (Note 4)	261,385	260,833
Patent filings (Note 6)	5,766	6,213
Deposit	350	350
Total Other Assets	2,098,000	2,066,318
Total Assets	\$ 4,720,429	\$ 4,650,049
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 25,413	\$ 4,373
Total Current Liabilities	25,413	4,373
LONG-TERM LIABILITIES		
Reclamation and remediation liabilities (Note 4)	63,918	62,973
Total Liabilities	89,331	67,346
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized; 154,584 and 154,584 shares issued and outstanding, respectively (Note 7)	155	155
Common stock, \$0.001 par value, 70,000,000 shares authorized; 59,370,791 and 59,370,791 shares issued, respectively, 55,235,892 and 55,235,892 shares outstanding, respectively (Note 7)	59,371	59,371
Additional paid-in capital	17,213,712	17,199,250
Retained deficit	(11,901,826)	(11,935,822)
Less: Treasury stock, at cost, 4,134,899 shares as of March 31, 2024 and December 31, 2023 (Note 7)	(770,508)	(770,508)
Total Clifton Mining Stockholders' Equity	4,600,904	4,552,446
Non-controlling interest	30,194	30,257
Total Stockholders' Equity	4,631,098	4,582,703
Total Liabilities and Stockholders' Equity	\$ 4,720,429	\$ 4,650,049

CLIFTON MINING COMPANY
Consolidated Statements of Operations

	March 31, 2024	December 31, 2023
REVENUE	\$ -	\$ -
EXPENSES		
Exploration and depletion costs	3,075	27,498
General and administrative	1,175	46,253
Professional fees	26,544	70,190
Accretion expense	945	3,641
Depreciation and amortization	2,809	49,958
Impairment expense	-	265,084
Salaries and employee benefits	45,055	264,441
Stock based compensation	14,462	74,866
Property and claim taxes, filing fees and insurance	21,580	122,779
Total Expenses	115,645	924,710
Loss From Operations	(115,645)	(924,710)
OTHER INCOME (EXPENSE)		
Interest income	15,548	2,763
Dividend income	1,248	84,181
Gain from equity investment	129,702	217,648
Gain (loss) on equity securities - net	-	(1,627,031)
Gain (loss) from affiliate stock transactions	3,080	(139,674)
Other Income (Expense)	149,578	(1,462,113)
Income (Loss) Before Income Taxes	33,933	(2,386,823)
Income Taxes	-	(43,459)
Net Income (Loss)	33,933	(2,430,282)
Less: Net Loss Attributable to Noncontrolling Interest	63	374
Net Income (Loss) Attributable to Clifton Mining	\$ 33,996	\$ (2,429,908)
Net income (loss) per share – basic	\$ 0.00	\$ (0.04)
Net income (loss) per share – fully diluted	\$ 0.00	\$ (0.04)
Weighted average number of common shares outstanding during the year:		
Basic	55,235,892	54,863,961
Diluted	58,410,257	54,863,961

See accompanying notes to consolidated financial statements.

CLIFTON MINING COMPANY
Consolidated Statements of Cash Flows

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Cash Flows From Operating Activities:		
Net income (loss)	\$ 33,933	\$ (2,430,282)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization expense	2,809	49,958
Depletion expense	3,075	12,300
Accretion expense	945	3,641
Impairment expense	-	265,084
Loss (gain) from equity investment	(129,702)	(217,648)
Loss (gain) from equity securities - net	-	1,627,031
Loss (gain) from affiliate stock transactions	(3,080)	139,674
Valuation for stock-based compensation expense related to options	14,462	74,866
Changes in operating assets and liabilities:		
Decrease (increase) in receivables, prepaid expenses, and other assets	21,456	1,024
Increase (decrease) in accounts payable and accrued liabilities	21,040	121
Net Cash Used in Operating Activities	<u>(35,062)</u>	<u>(474,231)</u>
Cash Flows From Investing Activities:		
Purchase of treasury stock	-	(15,899)
Purchase of equity investment	-	(472,626)
Distributions from equity investment	101,205	186,655
Net Cash Provided by (Used in) Investing Activities	<u>101,205</u>	<u>(301,870)</u>
Cash Flows From Financing Activities:		
Proceeds from options exercised	-	46,500
Net Cash Provided by Financing Activities	<u>-</u>	<u>46,500</u>
Net (decrease) increase in cash	66,143	(729,601)
Cash, beginning of year	1,368,281	2,097,882
Cash, end of year	<u>\$ 1,434,424</u>	<u>\$ 1,368,281</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ 43,459</u>
NON CASH INVESTING & FINANCING ACTIVITIES:		
Noncontrolling interest income allocation	<u>\$ 63</u>	<u>\$ 374</u>

See accompanying notes to consolidated financial statements.

CLIFTON MINING COMPANY

Consolidated Statements of Changes in Stockholders' Equity for the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

	Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Deficit	Treasury Stock, at Cost	Clifton Mining Stockholders' Equity	Non- controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2022	154,584	\$ 155	58,770,791	\$ 58,771	\$ 17,078,484	\$ (9,505,914)	\$ (754,609)	\$ 6,876,887	\$ 30,631	\$ 6,907,518
Compensation related to options	-	-	-	-	74,866	-	-	74,866	-	74,866
Proceeds issuance of common stock	-	-	600,000	600	45,900	-	-	46,500	-	46,500
Purchase of Treasury Stock at Cost	-	-	-	-	-	-	(15,899)	(15,899)	-	(15,899)
Net income at December 31, 2023	-	-	-	-	-	(2,429,908)	-	(2,429,908)	(374)	(2,430,282)
Balance, December 31, 2023	154,584	\$ 155	59,370,791	\$ 59,371	\$ 17,199,250	\$ (11,935,822)	\$ (770,508)	\$ 4,552,446	\$ 30,257	\$ 4,582,703
Compensation related to options	-	-	-	-	14,462	-	-	14,462	-	14,462
Net income at March 31, 2024	-	-	-	-	-	33,996	-	33,996	(63)	33,933
Balance, March 31, 2024	154,584	\$ 155	59,370,791	\$ 59,371	\$ 17,213,712	\$ (11,901,826)	\$ (770,508)	\$ 4,600,904	\$ 30,194	\$ 4,631,098

See accompanying notes to consolidated financial statements.

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Clifton Mining Company (the Company), was incorporated on June 8, 1993 under the laws of the State of Utah. In the beginning years, the Company was engaged in the process of acquiring, exploring, and developing properties or selling the properties at an appreciated value. The Company has acquired several claims which have previously been in production, with historical production records. The Company has obtained a report calculating mineralized material for the Clifton shear zone property (see Note 3 – Mineral Properties) and is no longer considered to be in the exploration stage. The Company is now primarily engaged in property management by joint venturing the properties to other companies including the use of the Company's equipment to bring the claims into production and investing in other businesses.

Principles of Consolidation

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States and include the accounts of its 61% owned subsidiary, Woodman Mining Company. All intercompany accounts have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash includes all cash and investments with original maturities to the Company of three months or less. As of March 31, 2024 and December 31, 2023, the Company had no cash equivalents.

Equity Securities

In accordance with ASC 321 Investment – Equity Securities, equity securities are measured at fair value with the changes in fair value recognized in net income.

For the three months ended March 31, 2024 and the year ended December 31, 2023, the Company had net loss on equity securities of \$0 and \$1,627,031 respectively, which were recorded within other income (expense) on the Consolidated Statements of Operations.

As of March 31, 2024 and December 31, 2023, the Company owned 5,810,824 shares of common stock or a 21.7% interest in Desert Hawk Gold Corp. Although ownership percentages above 20% would normally be accounted for using the equity method, the Company is accounting for this investment as an investment in equity securities due to the Company not having any significant influence over Desert Hawk Gold Corp. The Company elected to measure this investment at fair value with changes recognized in net income. This election was made for all identical or similar investments of Desert Hawk Gold Corp., including future purchases, and is irrevocable.

For the three months ended March 31, 2024 and the year ended December 31, 2023, the Company determined that the fair value of their Desert Hawk Gold Corp. shares was \$0 due to Desert Hawk Gold Corp. being in default on significant liability contracts and there being questions regarding the recoverability of the asset value. As of March 31, 2024 and December 31, 2023, the investment in the affiliate was therefore valued at \$0 and \$0, respectively. (See Note 12 – Fair Value of Financial Instruments). This investment is classified as other assets on the Consolidated Balance Sheet due to the investments being made for the purposes of control or affiliation, in accordance with ASC 210-10 Balance Sheet – Overall.

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Investments

The Company accounts for its investments in companies subject to significant influence using the equity method of accounting, under which, the Company's pro-rata share of the net income (loss) of the affiliate is recognized as income (loss) in the Company's income statement. The Company also records its share of the change in equity of the affiliate in the Company's income statement and is added to the investment on the balance sheet. Distributions received from the affiliate are treated as a return of capital and are accordingly deducted from the carrying value of the investment. Purchases of additional investments are recorded at cost and increase the carrying value of the investment (See Note 2)

Depreciation

Property and equipment are recorded at cost. Depreciation is determined using the straight-line method over the estimated useful lives of the assets over periods ranging from three to thirty-nine years. Expenditures for maintenance and repairs which do not extend the useful lives of the related assets are expensed as incurred.

Patent

The measurable patent costs that were initially capitalized totaled \$29,695. The patent was granted December 14, 2010 and is being amortized over a 16.5 year life beginning December 2010. The Company evaluates the recoverability of intangibles and reviews the amortization period on a continual basis utilizing the guidance of ASC Topic 350, "Intangibles - Goodwill and Other." Several factors are used to evaluate intangibles, including, but not limited to, management's plans for future operations. Costs incurred to renew or extend the term of the patent applications will be expensed as incurred. (See Note 6)

Stock – Based Compensation

ASC Topic 718 and 505, requires that share-based payments be reflected as an expense based upon the grant-date fair value of those awards. The expense is recognized over the remaining vesting periods of the awards. The Company estimates the fair value of these awards using the Black-Scholes model. This model requires management to make certain estimates in the assumptions used in this model, including the expected term the award will be held, volatility of the underlying common stock, discount rate and forfeiture rate. We develop our assumptions based on our past historical trends as well as consider changes for future expectations. (See Note 11)

Fair Value Measurements

The fair values of the Company's financial instruments are defined 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. The fair value estimates presented in this report are based on information available to the Company as of March 31, 2024 and December 31, 2023.

The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate fair value. The authoritative guidance issued by the FASB includes a fair value three-tier hierarchy which prioritizes the inputs used in measuring the fair value. The hierarchy requires the Company to use observable inputs when available and to minimize the use of unobservable inputs when determining fair value. The first two levels of inputs are considered observable and the last level is considered unobservable, that may be used to measure fair value as follows:

Level 1 – Quoted prices in active markets for identical assets;

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 2 – Significant other observable inputs, other than the quoted prices in active markets for identical assets, that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 – Significant unobservable inputs in which there is little or no market activity and that are significant to the fair value of the assets or liabilities, which require the reporting entity to develop its own assumptions about the assumptions the market participants would use in pricing the asset or liability based on the best information available in the circumstances.

Property Acquisition Evaluations and Mineral Exploration Costs

Acquisition costs of mining properties are deferred in the accounts. Mineral exploration expenditures are expensed as incurred. When production is attained, acquisition costs will be depleted using either the unit of production method based upon estimated proven recoverable reserves or the estimated production life of the properties. When deferred expenditures on individual properties exceed their estimated net realizable value, the properties are written down to the estimated value. Costs relating to properties abandoned are charged to operations in the period in which that determination is made.

Costs include the cash consideration and the fair market value of shares issued for the acquisition of mineral properties. Senior management regularly reviews the carrying amounts of mineral properties to assess whether there has been any impairment in value. (See Note 3)

Reclamation and Remediation Costs

Current laws and regulations require certain closure, reclamation and remediation work to be done on mineral properties as a result of exploration, development and operating activities. The Company periodically reviews the activities performed on its mineral properties and makes estimates of closure, reclamation and remediation work that will need to be performed as required by those laws and regulations and makes estimates of amounts that are expected to be incurred when the closure, reclamation and remediation work is expected to be performed.

Future closure, reclamation and environmental related expenditures are difficult to estimate in many circumstances due to the early stages of investigation, uncertainties associated with defining the nature and extent of environmental contamination, the uncertainties relating to specific reclamation and remediation methods and costs, application and changing of environmental laws, regulations and interpretation by regulatory authorities and the possible participation of other potentially responsible parties.

Reclamation costs are allocated to expense over the life of the related assets and are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either timing or amount of reclamation and abandonment costs. The Company has estimated costs associated with closure, reclamation and environmental reclamation of its properties which have been reflected in its financial statements in accordance with generally accepted accounting principles. (See Note 4)

Revenue Recognition

The Company recognizes revenue in accordance with the Financial Accounting Standards Board Accounting Standards Codification (“ASC”) Subtopic 606-10, Revenue from Contracts with Customers (“ASC 606-10”).

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company generates revenue through the leasing of its properties and milling equipment to third parties, either by receipt of direct leasing fees or joint venture relationships and the receipt of net smelter royalty payments. Net smelter royalty revenue is typically recognized when a concentrate has been delivered to a refinery and the mineralized ore of gold and silver has been purchased. In both cases, the Company's performance obligation is complete, and revenue is recognized when payments have been made pursuant to the lease agreements or when payments have been received for the sale or mineral concentrates. The Company determines collectability by performing ongoing credit evaluations and monitoring customer accounts receivable balances.

Advertising Costs

Advertising costs are charged to general and administrative expenses when incurred. The Company recorded no advertising costs for the three months ended March 31, 2024 and the year ended December 31, 2023.

Income Taxes

We recognize deferred income tax assets or liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or income tax returns. Deferred income tax assets or liabilities are determined based upon the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates expected to apply when the differences are expected to be settled or realized. Deferred income tax assets are reviewed periodically for recoverability and valuation allowances are provided as necessary.

We classify penalties and interest as income taxes as allowed by ASC Topic 740-10, "Accounting for Uncertainty in Income Taxes." The Company recognizes tax benefits from uncertain positions if it is "more likely than not" that the position is sustainable, based upon its technical merits. The initial measurement of the tax benefit is the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information.

Impairment of Long-Lived Assets

Management reviews the net carrying value of all property and equipment and other long-lived assets, including mineral properties, on a periodic basis in accordance with ASC 360-10. We estimate the net realizable value of an asset based on the estimated undiscounted future cash flows that will be generated from operations at each property, the estimated salvage value of the surface plant and equipment and the value associated with property interests. These estimates of undiscounted future cash flows are dependent upon the estimates of metal to be recovered from proven and probable ore reserves, future production cost estimates and future metal price estimates over the estimated remaining life of the mineral property. If undiscounted cash flows are less than the carrying value of an asset, an impairment loss will be measured as the amount by which the carrying amount exceeds the assets fair value.

Management's estimates of metal prices, recoverable proven and probable ore reserves, and operating, capital and reclamation costs are subject to risks and uncertainties of change affecting the recoverability of our investment in various projects. Although management believes it has made a reasonable estimate of these factors based on current conditions and information, it is reasonably possible that changes could occur in the near term which could adversely affect management's estimate of net cash flows expected to be generated from our mineral properties and the need for asset impairment write-downs.

During the three months ended March 31, 2024, no impairment was recorded and for the year ended December 31, 2023, we fully impaired milling equipment with a carrying amount of \$265,084. The impairment was due to there being questions regarding the recoverability of the asset value.

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Earnings Per Share

Basic and diluted earnings per share are calculated in accordance with ASC Topic 260, "Earnings Per Share". Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if stock options and other commitments to issue common stock were exercised resulting in the issuance of common stock of the Company. As of March 31, 2024, the Company had total options of 3,900,000 exercisable and 5,050,000 outstanding, of which 1,900,000 were used in computation of fully diluted net income per share and the Company had 3,150,000 that were anti-dilutive. The earnings per share amounts are net of taxes. Due to the net loss during the year ended December 31, 2023, potential common stock was not included in the computation of diluted earnings per share, because to do so would be antidilutive.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to credit risk consist primarily of cash and cash equivalents and accounts receivable. At times throughout the year, the Company may maintain certain bank accounts in excess of FDIC insured limits. As of March 31, 2024 and December 31, 2023, the company had cash of \$0 and \$1,240,653 in a mutual fund which is not insured by the FDIC, respectively.

The Company makes judgments as to its ability to collect outstanding accounts receivable and provides an allowance if collection becomes doubtful. Accounts that are judged to be uncollectable are written off. For the three months ended March 31, 2024 and the year ended December 31, 2023, the Company carried no allowance for uncollectable receivables.

As of the three months ended March 31, 2024 and the year ended December 31, 2023, one customer made up 100% and 49% of the receivable balance, respectively.

Reclassifications

Certain prior year amounts have been reclassified to conform to current presentation.

NOTE 2 – EQUITY INVESTMENT IN AFFILIATE

The Company owned a 20.6% and a 20.7% interest in American Silver, LLC (the "Affiliate"), at March 31, 2024 and December 31, 2023, respectively and is accounting for this investment, using the equity method.

Distributions received from the Affiliate are treated as a reduction of the investment account and additional investments in the affiliate are treated as an increase to the investment account. In addition, the Company's ownership interest in the Affiliate changes as the Affiliate issues additional equity in the ordinary course of business. When the Affiliate issues shares through equity funding the Company recognizes a gain or loss in the same manner as if the Company had sold a portion of its investment. The gain or loss is measured by comparing the change in the difference between the carrying amount of the investment and the Company's proportionate share of the net assets of the Affiliate after the sale of shares.

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 2 – EQUITY INVESTMENT IN AFFILIATE (Continued)

American Silver, LLC, owns 100% of American Biotech Labs, LLC, ABL Manufacturing, LLC, ABL Medical, LLC, ABL International, LLC, and ABL BLDG 1, LLC. American Biotech Labs, LLC markets and sells products for the dietary supplement and cosmetic markets, including immune support products, tooth gel products, gels, lotions, and creams for natural skin care. These products are sold and distributed through health food stores, health care providers, nutritional supplement distributors and other companies throughout the world. ABL Medical, LLC, markets and sells approved wound dressing medical device products cleared under FDA Section 510(k), to pharmacies, retailers, medical offices, and hospitals. ABL Manufacturing, LLC manufactures these products in an FDA registered facility using patented processes.

Distributions received from American Silver, LLC during the three months ended March 31, 2024 and 2023 amounted to \$101,205 and \$186,655, respectively. In September 2023, the Company made an additional investment in American Silver, LLC in the amount of \$472,626, purchasing 315,084 additional membership shares. The Company's recognized investment in American Silver, LLC for the three months ended March 31, 2024 and the year ended December 31, 2023, at \$1,830,499 and \$1,798,922, respectively. As the Affiliate continues to obtain additional equity investment and has income or losses, the investment balance will continue to reflect those changes.

Condensed consolidated financial information of American Silver, LLC as of and for the three months ended March 31, 2024 and the year ended December 31, 2023, was as follows:

<u>Assets</u>	<u>3/31/2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 1,571,423	\$ 2,140,701
Accounts receivables, net	937,956	534,015
Other current assets (prepaid expenses, inventory)	2,351,091	2,298,809
Total current assets	<u>4,860,470</u>	<u>4,973,525</u>
Equipment: less accumulated depreciation	7,927,902	8,006,417
Other Assets	208,225	201,325
Total Assets	<u>\$ 12,996,597</u>	<u>\$ 13,181,267</u>
 <u>Liabilities and Members' Equity</u>		
Current liabilities:		
Accounts payable, accrued liabilities, related party payable, customer deposits, and current portion notes payable	\$ 452,704	\$ 934,535
Notes payable, net of current portion and loan costs	3,676,141	3,575,934
Members' equity	8,867,752	8,670,798
Total Liabilities and Members' Equity	<u>\$ 12,996,597</u>	<u>\$ 13,181,267</u>
 <u>Statements of Operations</u>		
Net sales	\$ 3,662,335	\$ 12,089,669
Cost of goods sold	(1,540,407)	(5,266,228)
Selling, general and administrative expenses	(1,512,122)	(5,681,281)
Other income (loss)	18,528	(28,216)
Net income	<u>\$ 628,334</u>	<u>\$ 1,113,944</u>

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 3 – MINERAL PROPERTIES

At March 31, 2024 and December 31, 2023, the Company's mining claims consist of 82 patented claims including 10 patented claims owned 50% by The Woodman Mining Company ("Woodman Mining"), 402 unpatented lode claims, including 32 placer claims, and six (6) state mineral leases, in total covering approximately 14,027 acres. Of these claims, 66 unpatented lode claims and 10 patented claims covering approximately 1,476 acres are subject to a 20-year lease entered on February 7, 2019 with Desert Hawk Gold Corp., which is subject to certain terms and conditions with no ownership interest in the Company properties. The properties are located in the Gold Hill/Clifton Mining District, Tooele County, Northwest Utah area.

The acquisition costs of the mineral properties in the schedule below are stated at or below the market value and are not to exceed the original purchase price. Mineral properties consist of the following:

	<u>3/31/2024</u>	<u>2023</u>
Acquisition costs	\$ 1,162,459	\$ 1,162,459
Asset retirement obligation – mineral properties	16,006	16,006
Land	2,500	2,500
(Less) accumulated depletion	<u>(115,825)</u>	<u>(112,750)</u>
Total	<u>\$ 1,065,140</u>	<u>\$ 1,068,215</u>

A study prepared by Behre Dolbear & Company, Inc. dated April 1996 and updated October 2000 by Robert Cameron, Consulting reported the following mineralized material for the Clifton shear zone:

<u>Category</u>	<u>Tons</u>	<u>Ag (opt)</u>	<u>Ag (ounces)</u>	<u>Au (opt)</u>	<u>Au (ounces)</u>	<u>Pb(%)</u>
Measured (1)	107,000	8.41	901,597	0.045	4,802	5.09
Indicated (2)	<u>473,000</u>	<u>8.15</u>	<u>3,905,133</u>	<u>0.051</u>	<u>21,824</u>	<u>5.22</u>
Total	<u>580,000</u>	<u>8.05</u>	<u>4,806,730</u>	<u>0.050</u>	<u>26,626</u>	<u>5.20</u>

Notes:

- (1) Measured Resources are those materials for which tonnage is computed from dimensions revealed in outcrops or mine workings and/or drill holes and for which the grade is computed from the results of adequate sampling. The sites for inspection, sampling and measurement are so spaced and the geological character is so well defined that the size, shape and mineral content are established.
- (2) Indicated Resources are those materials for which tonnage and grade are computed partly from specific measurements, samples, or production data, and partly from projections for a reasonable distance on geological evidence. The sites available for inspection, measurement, and sampling are too widely or otherwise inappropriately spaced to outline the material completely or to establish its grade throughout.

Behre Dolbear qualified the mineralized material estimate as follows: The majority of the surface samples were collected from old, shallow prospecting pits that occurred at irregular spacing; the underground samples were taken from only readily accessible locations in old mines; and the sampling technique may have biased the Clifton data.

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 4 – RECLAMATION AND REMEDIATION LIABILITIES

Federal, state and local laws and regulations concerning environmental protection affect the Company's operations. Under current regulations, the Company is required to meet performance standards to minimize environmental impact from operations and to perform site reclamation and remediation activities. The Company's provisions for reclamation and remediation liabilities are based on known requirements. It is not possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

The following table sets out the activity for the Company's reclamation and remediation liabilities for the three months ended March 31, 2024 and the year ending December 31, 2023.

	March 31, 2024	December 31, 2023
Opening Balance	\$ 62,973	\$ 59,332
Accretion	945	3,641
Ending Balance	<u>\$ 63,918</u>	<u>\$ 62,973</u>

The Company believes that the reclamation obligations incurred by the exploration and development work being performed by Desert Hawk are adequately provided for in the current reclamation estimates on mining claims remaining under contract. Desert Hawk, on an ongoing basis, is required to obtain permits and post reclamation bonds and reclaim any disturbances caused by the exploration work. The Company has also posted reclamation bonds as required with current balances of \$261,385 and \$260,833 at March 31, 2024 and December 31, 2023, respectively.

NOTE 5 – COMMITMENTS AND CONTINGENT LIABILITIES

Effective February 7, 2019, the Company entered into a Second Amended and Restated Lease Agreement in which the Company and Woodman Mining granted to Desert Hawk continued possession of some of the Company's properties for exploration, development and mining, and the right to occupy the specified properties and to explore, develop and mine these properties for minerals. The lease expires 20 years from the effective date.

NOTE 6 – PROPERTY AND EQUIPMENT AND PATENTS

Buildings and equipment, less accumulated depreciation as of March 31, 2024 and December 31, 2023 consisted of the following:

<u>March 31, 2024</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Buildings	\$ 347,886	\$ (241,217)	\$ 106,669
Asset retirement obligation - buildings	21,536	(12,835)	8,701
Total	<u>\$ 369,422</u>	<u>\$ (251,690)</u>	<u>\$ 115,370</u>
Mill Equipment	<u>\$ 734,728</u>	<u>\$ (734,728)</u>	<u>\$ -</u>
Equipment:			
Machinery and equipment	\$ 25,434	\$ (25,434)	\$ -
Vehicles	4,334	(4,334)	-
Office equipment and fixtures	5,639	(5,639)	-
Total	<u>\$ 35,407</u>	<u>\$ (35,407)</u>	<u>\$ -</u>
Patent	<u>\$ 29,694</u>	<u>\$ (23,928)</u>	<u>\$ 5,766</u>

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 6 – PROPERTY AND EQUIPMENT AND PATENTS (Continued)

<u>December 31, 2023</u>	<u>Cost</u>	<u>Depreciation</u>	<u>Value</u>
Buildings	\$ 347,886	\$ (238,993)	\$ 108,893
Asset retirement obligation - buildings	21,536	(12,697)	8,839
Total	<u>\$ 369,422</u>	<u>\$ (251,690)</u>	<u>\$ 117,732</u>
Mill Equipment	<u>\$ 734,728</u>	<u>\$ (734,728)</u>	<u>\$ -</u>
Equipment:			
Machinery and equipment	\$ 25,434	\$ (25,434)	\$ -
Vehicles	4,334	(4,334)	-
Office equipment and fixtures	5,639	(5,639)	-
Total	<u>\$ 35,407</u>	<u>\$ (35,407)</u>	<u>\$ -</u>
Patent	<u>\$ 29,694</u>	<u>\$ (23,481)</u>	<u>\$ 6,213</u>

The amount of patent amortization expense for each of the next five years will be approximately \$1,800 per year. Total patent amortization expense for the three months ended March 31, 2024 and the year ending December 31, 2023 was \$447 and \$1,800, respectively. Total depreciation expense for the three months ending March 31, 2024 and the year ending December 31, 2023, was \$2,362 and \$48,158, respectively.

NOTE 7 – CAPITAL STOCK

Our authorized capital stock consists of 70,000,000 shares of common stock, par value \$0.001 per share and 10,000,000 shares of preferred stock, par value \$0.001 per share, of which 251,918 have been designated as 1993 Series Preferred A Stock. In January 2020, pursuant to a Share Repurchase Plan, the Company began buying back Company common shares pursuant to SEC Rule 10b-18 and as of March 31, 2024 and December 31, 2023, the Company had repurchased 4,134,899 common shares, at a cumulative cost of \$770,508. As the ultimate disposition is not yet decided, the cost of the acquired stock is shown separately as a deduction from the total of capital stock, additional paid-in capital, and retained earnings.

As of March 31, 2024 and December 31, 2023, the number of shares issued was 59,370,791 and 59,370,791, respectively, less the treasury shares and shares held at the Company’s brokerage account, the balances were 55,235,892 and 55,235,892, respectively, of common stock outstanding. As of March 31, 2024 and December 31, 2023 there were 154,584 shares of 1993 Series Preferred A Stock issued and outstanding. During the three months ended March 31, 2024, the Company issued no shares of common stock. On September 11, 2023, 600,000 common shares were issued pursuant to the exercise of stock options at total exercise cost of \$46,500.

The 1993 Preferred is voted with the common stock of the Company as a single class and is not entitled to vote as a separate class, except to the extent that the consent of the holders of the 1993 Preferred, voting as a class, is specifically required by the provisions of the corporation laws of the state of Utah, as now existing or as hereafter amended. Each holder of 1993 Preferred is entitled to such number of votes in respect of each share of such stock held by him or her that would be appurtenant to the common stock issuable upon conversion in respect of such stock. Subject to adjustment upon the happening of certain events, the 1933 Preferred is convertible into common stock on a one-for-one basis. The 1993 Preferred may be converted at the option of the holder at any time. The 1993 Preferred is automatically convertible into common stock upon the happening of any of the following events: (1) the date of effectiveness of a registration statement under the Securities Act of 1933, as amended, (the “Securities Act”) or any successor statute, which covers the resale of common stock issuable on the conversion of the 1993 Preferred, (2) the date of effectiveness of

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 7 – CAPITAL STOCK (Continued)

a registration statement under the Securities Act, for a firmly underwritten offering of common stock which will provide gross proceeds to the Company of \$5,000,000 or more, (3) the date on which the Company has received gross proceeds of at least \$5,000,000 pursuant to a best-efforts offering of common stock which was registered pursuant to the Securities Act, or (4) the date on which the Board causes a notice to be sent, by first class mail to the latest known address as shown on the Company's records, to the holders of 1993 Preferred which accurately states that: (a) the Company has successfully completed two consecutive fiscal years in which it has shown in each year a net profit before taxes (excluding nonrecurring and extraordinary items), (b) such net profit is shown on the Company's regular books and records of account and (c) the aggregate amount of the two-year period net profit equals or exceeds \$5,000,000.

NOTE 8 – RELATED PARTY TRANSACTIONS

Distributions received from American Silver, LLC during the three months ended March 31, 2024 and 2023 amounted to \$101,205 and \$186,655, respectively. In September 2023, the Company made an additional investment in American Silver, LLC in the amount of \$472,626, purchasing 315,084 additional membership shares. See Note 2.

The Company shares office space with American Biotech Labs, LLC and incurs rent and ancillary charges in connection with this arrangement. For the three months ended March 31, 2024 and the year ending December 31, 2023, the Company incurred \$465 and \$5,050, respectively, of such costs which were charged to operations. As of March 31, 2024 and December 31, 2023, no amounts were due to American Biotech Labs, LLC. The unconsolidated affiliate American Silver, LLC, is considered to be a related party due to several of the Company's management and board members have similar positions with the affiliate. The Company has recorded payroll expense, accrued wages, and accounts payable to these officers and directors of the Company, which totaled for the three months ended March 31, 2024 and December 31, 2023, \$19,375 and \$83,750, respectively.

NOTE 9 – EARNINGS PER SHARE

The following data sets forth the computation of basic and diluted earnings per share.

	March 31, 2024	December 31, 2023
Numerator: Net income (loss) for basic and diluted earnings per share	\$ 33,996	\$ (2,429,908)
Denominator: Weighted average shares outstanding, basic.	54,863,961	54,863,961
Denominator: Weighted average shares outstanding, diluted.	58,410,257	54,863,961
Basic earnings per share	\$ 0.00	\$ (0.04)
Diluted earnings per share	\$ 0.00	\$ (0.04)

NOTE 10 – RECENT ACCOUNTING PRONOUNCEMENTS

From time to time, new accounting pronouncements are issued by FASB that are adopted by the Company as of the specified effective date. If not discussed, the Company believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company's financial statements upon adoption.

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 11 – STOCK OPTIONS

The Company has adopted a stock option plan. Under the plan, options or stock awards may be granted to employees, including officers, of the Company and to other individuals who are not employees of the Company as may be deemed in the best interest of the Company by the board of directors or duly authorized committee.

The plan makes available 10% of the outstanding shares for grants. Options granted under this plan shall have a term established by the board of directors, but in no event will the term exceed five years. The exercise price of each option is to be determined by the board of directors on the date of grant. All options granted to date, are for a stated term of five years or less. Information regarding the option plan is summarized as follows:

Date granted	Weighted average price per share	Outstanding at January 1, 2023	Granted	Exercised	Expired/forfeited	Outstanding at December 31, 2023
September 18, 2018	\$ 0.075	1,050,000	-	300,000	750,000	-
July 26, 2019	\$ 0.08	1,050,000	-	300,000	-	750,000
September 2, 2020	\$ 0.132	1,050,000	-	-	-	1,050,000
August 24, 2021	\$ 0.15	1,050,000	-	-	-	1,050,000
August 1, 2022	\$ 0.15	1,050,000	-	-	-	1,050,000
August 17, 2023	\$ 0.0785	-	1,150,000	-	-	1,150,000
Total options	\$ 0.12	5,250,000	1,150,000	600,000	750,000	5,050,000
Exercisable at December 31, 2023	\$ 0.13					3,900,000

Date granted	Weighted Average Price per share	Outstanding at January 1, 2024	Granted	Exercised	Expired/Forfeited	Outstanding at March 31, 2024	Weighted average remaining contractual life (years)
July 26, 2019	\$ 0.08	750,000	-	-	-	750,000	0.32
September 2, 2020	\$ 0.132	1,050,000	-	-	-	1,050,000	1.42
August 24, 2021	\$ 0.15	1,050,000	-	-	-	1,050,000	2.40
August 1, 2022	\$ 0.15	1,050,000	-	-	-	1,050,000	3.34
August 17, 2023	\$ 0.0785	1,150,000	-	-	-	1,150,000	4.38
Total options	\$ 0.12	5,050,000	-	-	-	5,050,000	2.53
Exercisable at March 31, 2024	\$ 0.13					3,900,000	1.99

The valuation for stock-based compensation expense recognized for the three months ended March 31, 2024 and the period ended December 31, 2023, was \$14,462 and \$74,866, respectively, relating to employee stock options issued during the respective periods. As of March 31, 2024, there was \$24,104 of unrecognized stock-based compensation expense related to non-vested employee stock options. Options vest approximately one year from the grant date and are expensed ratably over one year. The valuation for stock-based compensation expense assumes all awards will vest, therefore no reduction has been made for estimated forfeitures.

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

NOTE 11 – STOCK OPTIONS (Continued)

The company uses the Black Scholes valuation method to estimate fair value of stock options. At the grant date, the fair value of the options issued in 2023 was \$57,849. The following assumptions were made in estimating fair value for the options issued in 2023:

	August 17, 2023
Risk-free interest rate	<u>4.42%</u>
Expected life	5 years
Expected volatility	75%

NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments which include cash and cash equivalents, receivables, accounts payable, and other payables are stated on the Company's balance sheet at fair value. At March 31, 2024 and December 31, 2023, the Company had no financial instruments. When the Company has financial instruments, the fair value is estimated according to a hierarchy measurement based on the following three levels of inputs:

Level 1 - The Company's Level 1 assets consist of those equity securities with readily determinable fair values based on quoted prices in active markets for identical assets.

Level 2 - The Company's Level 2 assets consist of those equity securities in affiliates with values that are determined by significant other observable inputs.

Level 3 - The Company's Level 3 assets consist of those equity securities in affiliates with fair values that are determined by significant unobservable inputs, including inputs from an independent valuation specialists.

NOTE 13 – INCOME TAXES

Effective January 1, 2007, the Company adopted the provisions of ASC Topic 740-10, "Accounting for Uncertainty in Income Taxes," which clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. ASC Topic 740-10 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position.

Interpretations of and guidance surrounding income tax laws and regulations change over time. As such, changes in the subjective assumptions and judgments can materially affect amounts recognized in the balance sheets and statements of income.

At the adoption date of January 1, 2007, the Company had no unrecognized tax benefit which would affect the effective tax rate if recognized. There has been no significant change in the unrecognized tax benefit during the year ended December 31, 2023.

The Company classifies interest and penalties arising from the underpayment of income taxes in the statement of income under general and administrative expenses. During the year ended December 31, 2023, the Company paid \$43,459 in state taxes, penalties, and interest. As of December 31, 2023, the Company had no accrued interest or penalties related to uncertain tax positions. The Company is no longer subject to federal and state income tax examinations for the years prior to 2016.

CLIFTON MINING COMPANY
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and the Year Ended December 31, 2023

At December 31, 2023, the Company has net operating loss carry-forwards available to offset future federal taxable income from the year 2024 through 2043 of approximately \$3,589,000. The utilization of the net operating loss carry-forwards is dependent upon the tax laws in effect at the time the net carry-forwards can be utilized. The Internal Revenue Code contains provisions that likely could reduce or limit the availability and utilization of these net operating loss carry-forwards. For example, limitations are imposed on the utilization of net operating loss carry-forwards if certain ownership changes have taken place. The Company will perform an analysis to determine whether any such limitations have occurred as the net operating losses are utilized. The amount of and ultimate realization of the benefits from the net operating losses is dependent, in part, upon the tax laws in effect, the Company's future earnings, and other future events, the effects of which cannot be determined.

The Company has established a valuation allowance for all deferred income tax assets not offset by deferred income tax liabilities due to the uncertainty of their realization. Accordingly, there is no benefit for income taxes in the accompanying consolidated statements of operations.

Deferred income taxes are determined based on the estimated future effects of differences between the financial statement and income tax reporting bases of assets and liabilities given the provisions of currently enacted tax laws and the tax rates expected to be in place.

The deferred income tax assets (liabilities) are comprised of the following calculated at an expected U.S. Federal Statutory tax rate of 21% at December 31, 2023:

	December 31, 2023
Deferred tax assets:	
NOL Carryover	\$ 753,800
Depreciation	55,700
Valuation allowance	(809,500)
Net deferred tax asset	\$ -

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax loss for the year ended December 31, 2023 due to the following:

	2023
Book income at statutory rate	\$ (510,300)
Accretion	800
Unrealized loss from equity investment	30,500
Unrealized gain from equity securities	341,700
Stock based compensation	15,700
Depreciation	55,700
Valuation allowance	65,900
Income tax benefit for fiscal year	\$ -

NOTE 14 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 13, 2024, the date on which the financial statements were available to be issued and there is one subsequent event to report. On April 5, 2024, Desert Hawk Gold Corp. filed under Chapter 11 in the United States Bankruptcy Court, District of Nevada.

Clifton Mining Company
705 East 50 South, American Fork, UT 84003

(801) 756-1414
www.Cliftonmining.com
Clifton@cliftonmining.com

Quarterly Report

For the period ending March 31, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

As of May 13, 2024, the number of shares outstanding of our Common Stock is **59,370,791**, less the treasury shares the balance is **55,235,892**, which balance excludes 1,375,003 held in treasury and 2,759,896 shares we've repurchased pursuant to SEC Rule 10b-18 that are held in a Company brokerage account pending deposit to the treasury.

As of March 31, 2024, the number of shares outstanding of our Common Stock is **59,370,791**, less the treasury shares the balance is **55,235,892**, which balance excludes 1,375,003 held in treasury and 2,759,896 shares we've repurchased pursuant to SEC Rule 10b-18 that are held in a Company brokerage account pending deposit to the treasury.

As of December 31, 2023, the number of shares outstanding of our Common Stock is **59,370,791**, less the treasury shares the balance is **55,235,892**, which balance excludes 1,375,003 held in treasury and 2,759,896 shares we've repurchased pursuant to SEC Rule 10b-18 that are held in a Company brokerage account pending deposit to the treasury.

As of December 31, 2022, the number of shares outstanding of our Common Stock is **58,770,791**, less the treasury shares the balance is **54,785,849**, which balance excludes 1,375,003 held in treasury and 2,609,939 shares we've repurchased pursuant to SEC Rule 10b-18 that are held in a Company brokerage account pending deposit to the treasury.

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Clifton Mining Company was originally filed on June 8, 1993 as Megaton Gold Corporation and on February 24, 1994, the name of the company was changed to Clifton Mining Company and still remains the same today.

Current State and Date of Incorporation or Registration: Utah corporation filed on June 8, 1993
Standing in this jurisdiction (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
None

Describe any trading suspension orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

705 East 50 South, American Fork, UT 84003

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Same

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

N/A

2) Security Information

Transfer Agent

Name: Computershare Inc.
Phone: (303) 262-0600
Email: Neil.Handiekar@computershare.com
Address: 6200 South Quebec Street, Greenwood Village, CO 80111

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: CFTN
Exact title and class of securities outstanding: CLIFTON MNG CO - COM
CUSIP: 186904108
Par or stated value: \$0.001

Total shares authorized: 70,000,000 as of date: March 31, 2024
Total shares outstanding: 59,370,791 less treasury shares and shares held in the
Company's brokerage account pending deposit to the treasury is 55,235,892 as of date: May 13, 2024
Total number of shareholders of record: 169 as of date: May 10, 2024
Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

None

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>Preferred Stock</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>10,000,000</u> as of date: <u>March 31, 2024</u>
Total shares outstanding:	<u>154,584</u> as of date: <u>March 31, 2024</u>
Total number of shareholders of record:	<u>10</u> as of date: <u>March 31, 2024</u>

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

None

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The common stock of the Company is voted with the 1993 Preferred as a single class and each outstanding common share is entitled to one vote. There are no special dividend, voting, or preemptive rights granted to the common shareholders however, the corporation may make distributions (including dividends) as authorized by the board of directors and in the manner and upon the terms and conditions provided by law and in the corporation's articles of incorporation.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The 1993 Preferred is voted with the common stock of the Company as a single class and is not entitled to vote as a separate class, except to the extent that the consent of the holders of the 1993 Preferred, voting as a class, is specifically required by the provisions of the corporation laws of the state of Utah, as now existing or as hereafter amended. Each holder of 1993 Preferred is entitled to such number of votes in respect of each share of such stock held by him or her that would be appurtenant to the common stock issuable upon conversion in respect of such stock. Subject to adjustment upon the happening of certain events, the 1933 Preferred is convertible into common stock on a one-for-one basis. The 1993 Preferred may be converted at the option of the holder at any time.

The 1993 Preferred is automatically convertible into common stock upon the happening of any of the following events: (1) the date of effectiveness of a registration statement under the Securities Act of 1933, as amended, (the "Securities Act") or any successor statute, which covers the resale of common stock issuable on the conversion of the 1993 Preferred, (2) the date of effectiveness of a registration statement under the Securities Act, for a firmly underwritten offering of common stock which will provide gross proceeds to the Company of \$5,000,000 or more, (3) the date on which the Company has received gross proceeds of at least \$5,000,000 pursuant to a best-efforts offering of common stock which was registered pursuant to the Securities Act, or (4) the date on which the Board causes a notice to be sent, by first class

mail to the latest known address as shown on the Company's records, to the holders of 1993 Preferred which accurately states that: (a) the Company has successfully completed two consecutive fiscal years in which it has shown in each year a net profit before taxes (excluding nonrecurring and extraordinary items), (b) such net profit is shown on the Company's regular books and records of account and (c) the aggregate amount of the two-year period net profit equals or exceeds \$5,000,000.

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
<p style="text-align: center;"><u>Opening Balance</u></p> <p>Date <u>01-01-2022</u> Common: <u>55,212,261</u> Preferred: <u>154,584</u></p>									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>3-31-2022</u>	<u>Cancellation</u>	<u>152,940</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>6-30-2022</u>	<u>Cancellation</u>	<u>192,105</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>9-30-2022</u>	<u>Cancellation</u>	<u>48,687</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>12-31-2022</u>	<u>Cancellation</u>	<u>32,680</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>4-25-2023</u>	<u>Cancellation</u>	<u>149,957</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>9-11-2023</u>	<u>New Issuance</u>	<u>300,000</u>	<u>Common</u>	<u>\$0.075</u>	<u>N/A</u>	<u>Scott Moeller</u>	<u>Stock Option Exercise</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>

9-11-2023	New Issuance	300,000	Common	\$0.08	N/A	Scott Moeller	Stock Option Exercise	Restricted	Section 4(a)(2)
Shares Outstanding on Date of This Report:									
Ending Balance:		Ending Balance							
Date 05-13-2024	Common:		55,235,892						
		Preferred: 154,584							

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

During the years 2022 and 2023, the Company purchased some Company shares pursuant to SEC Rule 10b-18 and plans on returning the remaining repurchased shares to the transfer agent for cancellation. In the chart above, canceled shares includes shares that have both been returned to the transfer agent for cancellation and shares that are held in the Company's brokerage account pending return to the transfer agent for cancellation. These repurchased shares are summarized for each quarter. On September 11, 2023, Scott Moeller an officer and director of the Company exercised stock options totaling 600,000 common shares at a total exercise cost of \$46,500 (300,000 options at an exercise price of \$0.075 per share, and 300 options at an exercise price of \$0.08 per share), which funds were deposited into the Company's regular bank account to be used for general Company operations.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. ***You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
None	---	---	---	---	---	---	---

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

None

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

No direct operations, however, some of the Company's property is leased out to a company who is recovering gold and silver from the property through a heap leach operation. In the beginning years, the Company was engaged in the process of acquiring, exploring, and developing properties or selling the properties at an appreciated value. The Company has acquired several claims which have previously been in production, with historical production records. The Company has obtained a report calculating mineralized material for the

Clifton shear zone property and is no longer considered to be in the exploration stage. The Company is now primarily engaged in property management by joint venturing the properties to other companies including the use of the Company's equipment to bring the claims into production and investing in other businesses.

B. List any subsidiaries, parent company, or affiliated companies.

At March 31, 2024, the Company owned a 20.6% interest in American Silver, LLC (the "Affiliate"). American Silver, LLC owns 100% of American Biotech Labs, LLC, ABL Manufacturing, LLC, ABL Medical, LLC and ABL International, LLC. American Biotech Labs, LLC markets and sells products for the dietary supplement and cosmetic markets, including immune support products, tooth gel products, gels, lotions, and creams for natural skin care.

These products are sold and distributed through health food stores, health care providers, nutritional supplement distributors and other companies throughout the world. ABL Medical, LLC, markets and sells approved wound dressing medical device products cleared under FDA Section 510(k), to pharmacies, retailers, medical offices, and hospitals. ABL Manufacturing, LLC, manufactures these products in an FDA registered facility using patented processes. The financial information is summarized in the Company's financial statements in Note 2. Affiliate's main number is (801) 756-1000. American Silver, LLC holds more than 69 patents, with additional patents pending.

Affiliate's main websites are <https://silverbiotics.com>, www.ablmedical.com, and <https://ablmfg.com>.

Officers, directors, and managers are: Robert Holladay, Scott Moeller, Mark Moeller, Nathan Moeller, Craig Sheffield, Dawn Sorenson, Paul Schwitzer, and David Cox.

C. Describe the issuers' principal products or services.

The Company owns patented mining claims and leases claims from the Bureau of Land Management and from the State of Utah School Trust Lands Administration and the Company is primarily engaged in the property management of these properties and through leasing and joint venture agreements, with the intent to bring all potential properties into the extraction of minerals including gold and silver.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company currently rents office space where it also keeps Company records, from an affiliate American Biotech Labs, LLC in American Fork, UT, on a month to month basis at the rate of \$155 per month. The Company believes this is a fair market price for the small amount of space it uses.

The Company's owns 82 patented mining claims including, 10 patented claims owned 50% by The Woodman Mining Company. The Company also leases 402 unpatented lode claims, including 32 placer claims, at the current annual maintenance rate of \$165 per claim from the Bureau of Land Management. The Company also has six (6) state mineral leases and pays annual royalty fees for each lease to the Trust Lands Administration. The total area encompassing these claims and mineral leases is approximately 14,027 acres. The properties are located in the Gold Hill/Clifton Mining District, Tooele County, Northwest Utah area. The patented claims are 100% owned with no mortgage and the unpatented, placer, and state mineral properties are all leased from the government.

The Company also owns two mill buildings located in Gold Hill, Utah, along with some milling and mining equipment located in those buildings, however, there is no current production in either of these facilities. The Company owns approximately 5.8 million shares of Desert Hawk Gold Corp., stock, who has a current heap leach operation going on a portion of the Company's property. The Company also leases warehouse space in Wendover Nevada where samples are stored on a month to month basis, at the current rate of \$350 per month. Desert Hawk Gold Corp. reimburses the the Company for this amount on a quarterly basis.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Kenneth Friedman</u>	<u>Officer/Director</u>	<u>Black Hawk, CO</u>	<u>624,000</u>	<u>Common</u>	<u>1.1%</u>	<u>Includes shares held in a Trust</u>
<u>Scott Moeller</u>	<u>Officer/Director</u>	<u>Cedar Hills, UT</u>	<u>1,865,402</u>	<u>Common</u>	<u>3.4%</u>	<u>Includes shares held in a Trust</u>
<u>Clifford Reid</u>	<u>Director</u>	<u>Helotes, TX</u>	<u>0</u>		<u>0.0%</u>	<u>—</u>
<u>Robert Holladay</u>	<u>Director</u>	<u>Saratoga Springs, UT</u>	<u>173,000</u>	<u>Common</u>	<u>0.3%</u>	<u>Includes shares held in a Trust</u>
<u>Jerry Wilhelm</u>	<u>Director</u>	<u>Hanover, PA</u>	<u>1,658,593</u>	<u>Common</u>	<u>3.0%</u>	<u>—</u>
<u>Stanley Cutler</u>	<u>Director</u>	<u>Lehi, UT</u>	<u>375,600</u>	<u>Common</u>	<u>0.7%</u>	<u>—</u>
<u>Dawn Sorenson</u>	<u>Officer</u>	<u>American Fork, UT</u>	<u>0</u>		<u>0.0%</u>	<u>—</u>

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

All Officers/Directors reported no.

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

All Officers/Directors reported no.

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

All Officers/Directors reported no.

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

All Officers/Directors reported no.

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

All Officers/Directors reported no.

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

All Officers/Directors reported no.

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

Desert Hawk Gold Corp., who has leased some of the Company's properties and in which the Company owns common shares, on April 5, 2024, filed under Chapter 11 in the United States Bankruptcy Court, District of Nevada. The Company has no additional information at this time.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Kevin Timken
Firm: Michael Best & Friedrich LLP
Address 1: 170 South Main St, Suite 1000, Salt Lake City, UT 84101
Phone: 801-924-4124
Email: kctimken@michaelbest.com

Accountant or Auditor

Name: Jayme McWidener, CPA, Partner
Firm: Mac Accounting Group & CPAs, LLP - Certified Public Accountants
Address: 1070 Mecham Lane, Midvale, UT 84047
Phone: 801-414-3664
Email: Jayme@macaccountinggroup.com

Investor Relations

Name: Customer Relations
Firm: GS Whitney & Co.

Address 1: 109 East 17th Street, Cheyenne, WY 82001
Address 2: 1621 Central Avenue, Cheyenne, WY 82001
Phone: 469-353-8157
Email: admin@gswhitney.com

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn _____
Facebook: _____
[Other] _____

Other Service Providers

Provide the name of any other service provider(s) **that that assisted, advised, prepared, or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: None
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Scott Moeller
Title: VP - Finance and Director
Relationship to Issuer: Officer and Director

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual)²:

Name: Scott Moeller
Title: VP - Finance
Relationship to Issuer: Officer and Director

Describe the qualifications of the person or persons who prepared the financial statements:⁵ Accounting Degree, 30+ Years Industry Experience

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Kenneth S. Friedman certify that:

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

05-14-2024 (Date)

/s/ KENNETH S. FRIEDMAN (President, CEO)

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)

Principal Financial Officer:

I, Scott S. Moeller certify that:

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

05-14-2024 (Date)

/s/ SCOTT S. MOELLER (VP-Finance, CFO)

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)