

# CORPORATE INFORMATION STATEMENT

For year 2024

CUSIP #130199 10 2

SYMBOL: CAEN

## I. NAME OF ISSUER

**CALIFORNIA-ENGELS MINING COMPANY**

## II. ADDRESS

The office of the Company is 4276 Napa Loop, Roseville, California 95747. Telephone (530) 394-7045. The former office of the Company at 117 Crescent Street, Greenville, California was destroyed by the Dixie Fire on August 4, 2021. Email: [calengelsco@gmail.com](mailto:calengelsco@gmail.com). Website: [www.calengels.com](http://www.calengels.com)

## III. INCORPORATION

Incorporated under the laws of the state of California, July 12, 1922. Incorporated as Engels Copper Mining Company on June 19, 1901, and merged into its holding company, California Copper Corporation, to form California-Engels Mining Company on March 3, 1936.

## IV. CAPITALIZATION

The Company is capitalized for 4,000,000 non-assessable shares of Capital \$.25 par value stock. There is only one class of stock and each share has the same rights and privileges as every other share. All stock shares equally in dividends or distribution of assets.

## V. ISSUED AND OUTSTANDING STOCK

California-Engels Mining Company has issued and outstanding 695,890 of its shares. The stock is distributed among approximately 688 shareholders as of December 31, 2024. There are no options, warrants or rights outstanding, nor does the Company anticipate issuing any. For many years the Company mailed annual reports to its shareholders of record and persons requesting reports. **Its annual report is now on its website: [www.calengels.com](http://www.calengels.com). For shareholders without access to the internet, the Corporate Information Statement will be mailed upon request.**

## VI. TRANSFER AGENT

The transfer agent for the Company is Transfer Online, Inc. Their address is 512 SE Salmon Street, Portland, OR 97214. The email is [info@transferonline.com](mailto:info@transferonline.com). Phone number is 503-227-2950.

## VII. NATURE OF ISSUER'S BUSINESS

The Company is the lessor of its Engels and Superior copper mines in the Lights Creek Mining District, Plumas County, California. Historically the history of the Plumas Copper Belt is well documented. The Engels and Superior mines operated from 1914 to 1930 producing 160,170,000 pounds of copper from 4,700,000 tons grading 2.5% copper. The mines were closed by the Great Depression of the 1930's. It was often the largest copper producer in California during the 1920's. During that 16 year period the Company built the 400 tons-per-day Engels Mill, the first all flotation mill for copper in the United States. Also completed were the 1,000 ton-per-day Superior Mill, the Engelmine company town and the 20 mile long Indian Valley Railroad to connect with the Western Pacific Railroad at Paxton. The railroad allowed the Company to ship copper concentrates by rail to the smelter at Garfield, Utah. It also allowed residents of Indian Valley to travel by rail to Reno NV or San Francisco, CA. During that period the Company was a substantial employer including local Native Americans in Plumas County, supported the local economy and paid dividends to its shareholders. Today the property consists of 36 patented lode mining claims totaling 736 acres and 333 acres of fee lands and the certified Engelmine Forest tree farm. An additional 5 patented lode mining claims on Ward Creek along the Copper Belt in Genesee Valley, Plumas County, CA totaling 100 acres are owned by the Company. The Company also has a history of its property and a Plumas Copper Belt library. From 1964 to 1993 the Company leased its property to Placer Development Ltd., Vancouver, Canada. Placer was a major worldwide mining company. Placer's extensive drilling and sampling of underground workings at the Superior Mine developed a substantial copper resource. Beginning in 2006 the Engels and Superior mines have been leased to a series of junior Canadian mineral exploration companies. The first, Sheffield Resources Ltd., Vancouver, Canada, was led by a former Placer geologist. Nevoro Inc., Toronto, Canada acquired Sheffield in 2008. The Company retained its timber rights and road rock rights. Sheffield/Nevoro drilled 44 HQ holes at the Engels Mine to define high-grade copper mineralization and sampled underground workings at the Superior Mine during 2006-2008. During 2009, Starfield Resources Inc., Toronto, Canada, acquired Nevoro and drilled three holes at the Engels Mine in November 2009. An airborne geophysical survey of the property was conducted in May 2010 and four more holes were drilled at the Engels Mine in June 2010. No mineral exploration was done by the mineral lessee during 2011 and 2012. Effective July 27, 2013, US Copper Corp. formerly Crown Mining Corp., Toronto, Canada, acquired the mining lease from the bankruptcy of Starfield Resources Inc. Crown's consulting mining engineer and consulting geologist completed a Technical Report and Resource Estimate for the Superior Project, Plumas County, California dated November 15, 2013. A detailed surface geologic mapping of key areas on the property was completed during the 2014 field season. In 2016 Crown Mining Corp. acquired the Moonlight Valley copper property of Canyon Copper Corp. thus consolidating the 13 square mile Lights Creek Mining District copper properties. During 2017 Crown Mining Corp. retained Tetra Tech Inc. to complete a Preliminary Economic Assessment (PEA) on its Moonlight-Superior Copper Project. The PEA was completed on April 18, 2018. Crown Mining Corp. changed its name to US Copper Corp. See their Website: [uscoppercorp.com](http://uscoppercorp.com) and their Facebook and X sites for Superior Mine and Engels Mine conformation drilling results and updates. The United States Geological Survey (USGS) is again

returning to study our iron oxide copper gold deposits on the north end of the Plumas Copper Belt. In the past 50 years four Master Thesis and one PHD Thesis have been completed on the Plumas Copper Belt along Lights Creek, five on geology and one on water quality. Students from California State University, Chico come annually to study the Copper Belt at the Engels, Superior Mines and Moonlight Valley.

The mineral deposits of the Lights Creek Mining District are recognized as the largest known unmined copper resources in California.

Engelmine Forest Tree Farm was burned over in the 2021 Dixie Wildfire. The Company was in mitigation with Pacific Gas & Electric Company for damage. The below is a new release concerning this action.

Greenville, California, December 18,2024

"The Company has resolved its case for damages resulting from the Dixie Fire of 2021, *California- Engels Mining Company et al. v. Pacific Gas and Electric Company*, San Francisco Superior Court Case Number CGC-23607817. The case has been fully dismissed as to the Company. The case remains ongoing as to other unrelated parties. The Company and two other affiliated companies are each entitled to an allocation of settlement trust funds. The Company share of such funds has not yet been determined and may or may not be material."

## **VIII. BOARD OF DIRECTORS**

The officers and directors of the issuer are:

Norman A. Lamb - President and Director

Katherine A. Lamb - Vice-President, Treasurer and Director

M. Blair Ogden - Secretary and Director

Richard C. Poulton - Director

Mr. Lamb is a mining executive and an officer and director of several mineral holding companies.

Mrs. Lamb is a retired regional bank manager and an officer and director of several mineral holding companies.

M. Blair Ogden is a retired attorney and an officer and director of several mineral holding companies.

Richard C. Poulton is a retired business consultant.

**IX. SECURITIES OWNERSHIP OF OFFICERS, DIRECTORS  
AND CONTROLLING PERSONS**

<b>Title of Class</b>	<b>Beneficial Owner</b>	<b>Amount and Nature</b>	<b>Percent</b>
Capital Stock Par Value \$.25 per share	Lamb and Company, LLC – Norman A Lamb, manager	189,788 shares owned of record.	27%
		87,000 shares beneficially owned thru Flowery Gold Mines Company of Nevada	12%
	Norman A. Lamb	3,800. Shared owned	1%
	Katherine A. Lamb	7,100 shares owned of Record	1%
		87,000 shares beneficially owned thru Flowery Gold Mines Company of Nevada	12%
	M. Blair Ogden	100 shares owned of Record	.01%
		87,000 shares beneficially owned thru Flowery Gold Mines Company of Nevada	12%
	Richard C. Poulton	25,126 shares owned of record	4%
	Lynda M. Poulton	25,127 shares owned of record	4%

**X. FINANCIAL STATEMENTS<sup>3</sup>**

The financial statements for the years ending December 31, 2024, 2023 and 2022 are attached and made a part of this Corporate Information Statement.

## **XI. BROKER DEALER**

The Company's Capital stock is not registered with the Securities and Exchange Commission and the Company does not file reports with the Commission. Historically the Company's Capital shares were listed on the San Francisco Stock Exchange, the Honolulu Stock Exchange, the San Francisco Mining Exchange and the Spokane Stock Exchange. Today the Company's Capital shares are quoted on the Pink Sheets and traded under the symbol CAEN in the Over-The-Counter market, known the OTC Market. To the knowledge of the management of the Company, any quotation being submitted or published would be on behalf of the broker/dealer.

Dated at Roseville, California on March 2, 2025

### **CALIFORNIA ENGELS MINING COMPANY**

By: *Norman A. Lamb*

Norman A. Lamb  
President

**California-Engels Mining Company**

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**California-Engels Mining Company**

## Balance Sheets

December 31, 2024 and December 31, 2023

(Unaudited)

	<b>December 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 184,074	\$ 238,288
Royalty receivable	-	212
Prepaid expenses	84,943	378
<i>Total Current Assets</i>	<u>269,017</u>	<u>238,878</u>
<i>Property and Equipment, net</i>	<u>241,881</u>	<u>243,679</u>
<i>Other Assets</i>		
Investment securities	357,130	347,930
<i>Total Other Assets</i>	<u>357,130</u>	<u>347,930</u>
<b>Total Assets</b>	<u><u>\$ 868,028</u></u>	<u><u>\$ 830,487</u></u>
<b>Liabilities and Stockholders' Equity</b>		
<i>Current Liabilities</i>		
Accrued expenses	\$ 97,072	\$ -
<i>Total Current Liabilities</i>	<u>97,072</u>	<u>-</u>
<i>Noncurrent Liabilities</i>		
Deferred income taxes	56,412	72,619
<i>Total Noncurrent Liabilities</i>	<u>56,412</u>	<u>72,619</u>
<i>Total Liabilities</i>	<u>153,483</u>	<u>72,619</u>
<i>Stockholders' Equity</i>		
Capital stock, par value \$0.25, 4,000,000 shares authorized, 695,890.04 and 699,980 shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively	174,973	174,995
Reduction surplus	2,735,395	2,735,638
Accumulated deficit	(2,195,823)	(2,152,765)
<i>Total Stockholders' Equity</i>	<u>714,545</u>	<u>757,868</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u><u>\$ 868,028</u></u>	<u><u>\$ 830,487</u></u>

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

**California-Engels Mining Company**  
Statements of Income (Loss)  
(Unaudited)

	YEARS ENDED DECEMBER 31,	
	2024	2023
<b>Revenue</b>		
Royalty income	\$ 35,923	\$ 35,992
Mining lease income	20,000	20,000
Rock lease income	14,502	13,460
Professional services	12,900	10,300
Interest income	7,578	8,959
<i>Total Revenue</i>	90,903	88,711
<b>Operating and General Expenses</b>		
Professional fees	84,053	17,309
Payroll	17,656	17,635
Director fees	2,000	2,000
Insurance	29,953	1,636
Taxes and licenses	9,875	8,222
Office	7,512	1,879
Storage fees	1,439	2,020
Depreciation	2,100	2,100
Stock maintenance fee	3,979	1,000
<i>Total Operating and General Expenses</i>	158,567	53,801
<b>Income (Loss) from Operations</b>	<b>(67,664)</b>	<b>34,910</b>
<b>Other Income (Expense)</b>		
Unrealized gain (loss) on equity securities	9,199	(7,530)
<i>Total Other Income (Expense)</i>	9,199	(7,530)
<b>Income (Loss) Before Taxes</b>	<b>(58,465)</b>	<b>27,380</b>
<b>Income Tax Benefit (Expense)</b>	15,406	(7,677)
<b>Net Income (Loss)</b>	<b>\$ (43,058)</b>	<b>\$ 19,703</b>

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



**California-Engels Mining Company**

## Statements of Stockholders' Equity

For the years ended December 31, 2024 and December 31, 2023

(Unaudited)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<b>Capital Stock</b>		
\$0.25 par value: 4,000,000 shares authorized; 695,890.04 and 699,980 shares issued and outstanding at December 31, 2024, and 2023, respectively		
Balance at beginning of year	\$ 174,995	\$ 175,924
Repurchase of capital stock	<u>(22)</u>	<u>(1,204)</u>
Balance at end of period	<u>174,973</u>	<u>174,995</u>
<b>Reduction Surplus</b>		
Balance at beginning of year	2,735,638	2,751,381
Repurchase of capital stock	<u>(243)</u>	<u>(20,418)</u>
Balance at end of period	<u>2,735,395</u>	<u>2,735,638</u>
<b>Accumulated Deficit</b>		
Balance at beginning of year	(2,152,765)	(2,172,468)
Net income (loss)	<u>(43,058)</u>	<u>19,703</u>
Balance at end of period	<u>(2,195,823)</u>	<u>(2,152,765)</u>
<b>Total Stockholders' Equity</b>	<u>\$ 714,545</u>	<u>\$ 757,868</u>

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

**California-Engels Mining Company**

## Statements of Cash Flows

For the years ended December 31, 2024 and December 31, 2023

(Unaudited)

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Cash Flows from Operating Activities</b>		
Net Income (Loss)	\$ (43,058)	\$ 19,703
<i>Adjustments to reconcile net income (loss) to net cash used by operating activities</i>		
Depreciation	1,798	2,100
Unrealized gain on equity investments	(9,200)	7,530
Deferred income taxes	(16,207)	509
Share based compensation	-	4,950
Changes in operating assets and liabilities		
Royalty receivable	212	1
Prepaid expenses	(84,565)	(378)
Accrued expenses	97,072	(3,544)
Due to related parties	-	-
<b>Net Cash Provided by (Used by) Operating Activities</b>	<b>(53,949)</b>	<b>30,071</b>
<b>Cash Flows from Financing Activities</b>		
Repurchase of capital stock	(265)	(21,622)
<b>Net Cash Used by Financing Activities</b>	<b>(265)</b>	<b>(21,622)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(54,214)</b>	<b>8,449</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>238,288</b>	<b>229,839</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 184,074</b>	<b>\$ 238,288</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
<i>Cash paid during the period for</i>		
Income taxes	\$ 800	\$ 10,763

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

## California-Engels Mining Company

Notes to Financial Statements

December 31, 2024

(Unaudited)

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### 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of California-Engels Mining Company (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (US GAAP) and have been consistently applied in the preparation of the financial statements.

#### Nature of Activity

The Company's principal line of business is development of mineral and timber properties. The principal revenue sources currently consist of royalties, lease and investment income. The Company's properties are located in the western United States.

#### Basis of Accounting

The Company's books are maintained on the accrual method of accounting in accordance with US GAAP.

#### Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments with a purchased maturity of three months or less to be cash equivalents.

In addition to its bank account, the Company maintains its cash in a money market investment account, which is not insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2024, the Company had \$184,074 in such an account. The Company has not experienced any losses in such account.

#### Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Property and Equipment

Property and equipment are capitalized at cost. It is the Company's policy to capitalize expenditures for these items in excess of \$500 with a useful life greater than one year. Depreciation is calculated using the straight-line method over five to fifteen years.

#### Income Taxes

The Company accounts for income taxes under the provisions of FASB ASC 740, *Income Taxes*. ASC 740 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted rates in effect for the year in which the differences are expected to reverse.

**1. Summary of Significant Accounting Policies (continued)**

Fair Value of Financial Instruments

Fair value accounting establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;*
- Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and*
- Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).*

The Company holds publicly traded securities which are considered equity securities. Those securities are classified within Level 1 of the fair value hierarchy as their fair value is determined using quoted prices in active markets.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net income or stockholders' equity.

**2. Property and Equipment**

The Company has resolved its case for damages resulting from the Dixie Fire of 2021, California- Engels Mining Company et al. v. Pacific Gas and Electric Company, San Francisco Superior Court Case Number CGC-23607817. The case has been fully dismissed as to the Company. The case remains ongoing as to other unrelated parties. The Company and two other affiliated companies are each entitled to an allocation of settlement trust funds. The Company share of such funds has not yet been determined and may or may not be material.

Property and equipment consisted of the following:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Land and land improvement	\$ 248,132	\$ 248,132
Furniture, equipment and vehicles	6,049	5,747
Less accumulated depreciation	(12,300)	(10,200)
Property and equipment, net	<u>\$ 241,881</u>	<u>\$ 243,679</u>

Depreciation expense was \$2,100 for the years ended December 31, 2024 and 2023, respectively.

## California-Engels Mining Company

Notes to Financial Statements

December 31, 2024

(Unaudited)

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### 3. Mining Claims and Fee Land Owned

At December 31, 2024, the Company was the owner of 36 patented lode mining claims totaling 736 acres comprising the Engels and Superior Mines and 239.24 acres of patented land at Engelmine, Lights Creek Mining District, Plumas County, California. All of these lands are optioned to US Copper Corp. except for 72.37 acres on Diamond Mountain Road along Lights Creek by the Company for possible commercial development.

At December 31, 2024, the Company was the owner of 5 patented lode mining claims totaling 100 acres on Ward Creek in the Genesee Mining District, Plumas County, California.

### 4. Valuations of Mineral Lands

The mineral lands carried on the books at a value of \$10,000 less depletion have a historical cost basis from June 19, 1901 of \$1,000,000. Beginning in 1913, different valuations were placed on these lands by the Commissioner of Internal Revenue. Under instructions of the Commissioner, the values of the land were written up on the books to a high of \$4,500,000 on February 23, 1928.

In 1934, because of depressed conditions, the mineral lands were written down to \$10,000 without any tax benefit. In the event of a sale of these lands the recognized gain for tax purposes will be substantially reduced or eliminated. Consequently, a deferred tax asset of approximately \$340,000 has been offset by a corresponding valuation allowance of approximately \$340,000 due to the unlikelihood of the sale of the property in the near future. During the year ended December 31, 2017, reflecting the federal corporate income tax rate change resulting from the Tax Cuts and Jobs Act, the deferred tax asset and corresponding valuation allowance related to the mineral lands were each re-measured to be \$210,000.

It is estimated that the current market value of the properties meets or exceeds the \$1,000,000 historical cost basis; however, due to the length of time the Company has reported the land values at the written down value of \$10,000, a change to the cost method has not been deemed appropriate for reporting purposes.

### 5. Investment Securities

The Company's equity securities portfolio is comprised of items with readily determinable fair values. In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 321, *Investments – Equity Securities Topic*, those equity securities are reported as an asset at their fair value. Following adoption of ASU 2016-01, unrealized gains and losses arising during the period are recorded in net income (loss).

The following table reflects the portion of unrealized gains and (losses) recognized during the years ended December 31 on equity securities still held at the reporting date:

	<u>2024</u>	<u>2023</u>
Net gains and (losses) recognized during the period on equity securities	\$ (21,151)	\$ 11,382
Less: Net gains and (losses) recognized during the year on equity securities sold during the period	-	-
Unrealized gains and (losses) recognized during the period on equity securities held at the reporting date	<u>\$ (21,151)</u>	<u>\$ 11,382</u>

**California-Engels Mining Company**  
Notes to Financial Statements  
December 31, 2024  
(Unaudited)

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There were no sales of equity securities during the years ended December 31, 2024 and 2023.

	Total	Level 1 Quoted Prices	Level 2 Other Significant Observable inputs	Level 3 Significant Observable inputs
Equities	\$ 357,130	357,130	-	-

## 6. Contingent Liabilities

The Company is not a defendant in any legal proceedings nor is there any litigation in progress, pending or threatened against the Company.

## 7. Capital Stock

During the year ended December 31, 2024, the Company repurchased and retired 100 shares of capital stock at \$2.65 per share for a total cost of \$265. Additionally, 10 shares previously retired were returned to issued and outstanding.

During the year ended December 31, 2023, stockholders' equity activity consisted of the following:

Repurchase of capital stock – The Company repurchased 4,796 shares of capital stock at \$4.50 per share for a total cost of \$21,582. Of these shares, 3,696 were retired. The Company also repurchased and retired 20 shares of capital stock at \$4.00 per share for a total cost of \$40.

Stock based compensation – The Company issued 1,000 shares of capital stock valued at \$4.50 per share in consideration of professional services provided. Additionally, the Company issued 100 shares of capital stock valued at \$4.50 per share for director's fees.

## 8. Mining Lease

On April 18, 2006, the Company entered into an Exploration Permit with Option to Lease and Purchase agreement on its 36 patented lode mining claims and 162.12 acres of its fee lands at Engelmine, Lights Creek Mining District, Plumas County, California. The agreement provides for annual rental payments, issuance of shares, annual work requirement and a net smelter return of 2% when in production. Royalties to the Company are capped at \$25,000,000. The Company retained the rights to the timber on the property and to manage its Engelmine Forest, California Tree Farm #2611 pursuant to its Non-Industrial Management Plan. Upon completion of mining and reclamation, title to the property will be returned to the Company.

## 9. Rock Lease

Effective September 1, 2012, the Company leased the No. 10 Level dump of the Engels Mine to Turner Excavating, Inc. to screen and crush aggregate for road rock and other uses. The lessee completed a reclamation plan and financial bond to assure that performance standards of the reclamation plan are satisfied. The Company receives a 10% gross royalty on rock sold with a minimum of \$3,000 per year.

**California-Engels Mining Company**  
Notes to Financial Statements  
December 31, 2024  
(Unaudited)

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**10. Related Party Transactions**

The Company receives bookkeeping and office fees from three other entities that share common management with the Company. The income received from such entities amounted to \$12,900 for the year ended December 31, 2024 and \$10,300 for the year ended December 31, 2023. The company paid payroll to a board member who performed all management functions of the Company in the amount of \$17,656 and \$17,635 for the years ended December 31, 2024 and 2023.

The Company pays storage rent, stock maintenance and transfer fees to an entity that shares common management with the Company. The expenses incurred for such services amounted to \$3,979 and \$1,150 for the year ended December 31, 2024 and 2023.

**11. Earnings (Loss) per Share**

The earnings (loss) per share for the year ended December 31 were as follows:

	<u>2024</u>	<u>2023</u>
Net Income (Loss) - Numerator	\$ (43,058)	\$ 19,703
Weighted Shares - Denominator	<u>700,895</u>	<u>700,924</u>
Earnings (Loss) per Share	<u>\$ (0.061)</u>	<u>\$ 0.028</u>

**12. Income Taxes**

A reconciliation of the difference between the provision for income taxes and income taxes at the statutory U.S. Federal income rate and State income tax rate is as follows for the for the years ended December 31.

	<b>Federal</b>	<b>State</b>
Federal/State statutory rate	<b>21%</b>	<b>6.98%</b>
	<b>Years Ended Decemebr 31,</b>	
	<u>2024</u>	<u>2023</u>
Federal income tax - current	\$ (10,840)	\$ 6,368
State income tax - current	(800)	800
Deferred income taxes	(3,767)	509
Total income tax benefit (expense)	<u>\$ (15,406)</u>	<u>\$ 7,677</u>

**California-Engels Mining Company**  
Notes to Financial Statements  
December 31, 2024  
(Unaudited)

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Deferred income tax liabilities consisted of the following at:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Deferred tax liabilities		
Unrealized gain (loss) on securities	\$ (31,506)	\$ (28,931)
Basis difference in partnership and royalty trust investments	(48,563)	(48,564)
Depreciation	(926)	(1,016)
Net operating loss carryforwards	24,583	5,892
	<hr/>	<hr/>
Total deferred tax liabilities	\$ (56,412)	\$ (72,619)

The Company had cumulative net operating losses of \$66,992 as of December 31, 2024, for federal income tax purposes. The federal net operating loss carryforwards can be used indefinitely. The Company had cumulative net operating losses of \$66,192 as of December 31, 2024, for state income tax purposes which it estimates can be used in future years without expiration.

Tax returns subject to examination - The Company files income tax returns in the United States and in the state of California. These tax returns are subject to examination by taxation authorities provided the years remain open under the relevant statutes of limitations, which may result in the payment of income taxes and/or a decrease in the net operating losses available for carryforwards. While the Company believes that its tax filings do not include uncertain tax positions, the results of potential examinations or the effect of changes in tax law cannot be ascertained at this time. The Company currently has no tax years under examination. As of December 31, 2024, federal income tax returns for the years 2021 through the most recently filed return, and California income tax returns for the years 2020 through the most recently filed return remain subject to examination by the taxing authorities.

### **13. Subsequent Events**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through February 6, 2025, the date the financial statements were available to be issued.