

## CORPORATE INFORMATION STATEMENT

Date: March 21, 2023

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 703,698 of its shares. The stock is distributed among approximately 680 shareholders. 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 Securities Registrar and Transfer Corporation with office at 4276 Napa Loop, Roseville, California 95747. Telephone (530) 394-7045 Email: [srtc corp117@gmail.com](mailto:srtc corp117@gmail.com). The transfer agent has a supply of certificates on hand and will transfer shares upon request and keep a registry of them. The Company charges \$50.00 per certificate for such services. The transfer agent registered as such on December 1, 1975, under the requirements of the Securities Reform Act of 1975.

## **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 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 sixteen 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. During that period the Company was a substantial employer 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 339.24 acres of fee lands and the certified Engelmine Forest tree farm. The Company also has a Plumas Copper Belt mining 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. 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. The mineral resource of the Superior Mine is estimated to be 54 million tons at an average grade of 0.41% copper with 487 million pounds of contained copper. The mineral resource at the Engels Mine is presently estimated to be 19 million tons at an average grade of 0.63% copper. 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 Twitter sites for Superior Mine and Engels Mine conformation drilling results and updates. In the past 40 years four Master Thesis have been completed on the Plumas Copper Belt along Lights Creek, three on geology and one on water quality.

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

The Company plans on mitigation with Pacific Gas & Electric Company for damage to its property and Engelmine Forest tree farm from the 2021 Dixie Fire.

## **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	Norman A. Lamb	200,897 shares owned of record	29%
		87,000 shares beneficially owned thru Flowery Gold Mines Company of Nevada	12%
	Katherine A. Lamb	100 shares owned of record	
		87,000 shares beneficially owned thru Flowery Gold Mines Company of Nevada	12%
	M. Blair Ogden	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**

The financial statements for the years ending December 31, 2022, 2021 and 2020 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. The Company's Capital shares are quoted on the Pink Sheets and traded under the symbol CAEN in the Over-The-Counter 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 21, 2023.

**CALIFORNIA ENGELS MINING COMPANY**

By: *Norman A. Lamb*

Norman A. Lamb  
President

**California-Engels Mining Company**  
**(A California Corporation)**

**Financial Statements**

**December 31, 2022 and 2021**

*Katherine A. Lamb*  
*Treasurer*  
*March 21, 2023*

**California-Engels Mining Company**  
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**December 31, 2022**

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**Cupit, Milligan,  
Ogden & Williams**  
Certified Public Accountants

**Shareholders**  
Edward R. Cupit, CPA (1943-2010)  
Ronald A. Milligan, CPA (1949-2022)  
Melvin L. Williams, CPA

**Accountant's Compilation Report**

To the Board of Directors  
California-Engels Mining Company  
Roseville, California

Management is responsible for the accompanying financial statements of California-Engels Mining Company (a California corporation), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income (loss), stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Cupit, Milligan, Ogden & Williams*

Reno, Nevada  
March 21, 2023



**California-Engels Mining Company**  
**Balance Sheets**  
December 31, 2022 and 2021  
(See Accountant's Compilation Report)

<b>Assets</b>	<b>2022</b>	<b>2021</b>
<i>Current Assets</i>		
Cash and cash equivalents	\$ 229,839	\$ 161,373
Royalty receivable	213	49
<i>Total Current Assets</i>	<u>230,052</u>	<u>161,422</u>
<i>Property and Equipment, net</i>	<u>245,779</u>	<u>241,950</u>
<i>Other Assets</i>		
Investment securities	355,460	218,670
<i>Total Other Assets</i>	<u>355,460</u>	<u>218,670</u>
<b>Total Assets</b>	<u><u>\$ 831,291</u></u>	<u><u>\$ 622,042</u></u>
<b>Liabilities and Stockholders' Equity</b>		
<i>Current Liabilities</i>		
Accrued expenses	\$ 3,544	\$ -
Deferred revenue	800	900
<i>Total Current Liabilities</i>	<u>4,344</u>	<u>900</u>
<i>Noncurrent Liabilities</i>		
Deferred income taxes	72,110	17,249
<i>Total Noncurrent Liabilities</i>	<u>72,110</u>	<u>17,249</u>
<i>Total Liabilities</i>	<u>76,454</u>	<u>18,149</u>
<i>Stockholders' Equity</i>		
Capital stock, par value \$0.25, 4,000,000 shares authorized, 703,696.04 shares issued and outstanding at December 31, 2022 and 2021	175,924	175,924
Reduction surplus	2,751,381	2,751,381
Accumulated deficit	<u>(2,172,468)</u>	<u>(2,323,412)</u>
<i>Total Stockholders' Equity</i>	<u>754,837</u>	<u>603,893</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u><u>\$ 831,291</u></u>	<u><u>\$ 622,042</u></u>

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

California-Engels Mining Company  
Statements of Income (Loss)  
For the Years Ended December 31, 2022, 2021 and 2020  
(See Accountant's Compilation Report)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Revenue</b>			
Royalty income	\$ 38,514	\$ 15,798	\$ 14,381
Mining lease income	20,000	20,000	20,000
Rock lease income	15,920	10,534	19,191
Professional services	9,600	9,600	9,600
Interest income	2,075	10	224
<i>Total Revenue</i>	<u>86,109</u>	<u>55,942</u>	<u>63,396</u>
<b>Operating and General Expenses</b>			
Payroll	17,614	17,593	17,593
Taxes and licenses	8,623	11,800	4,043
Professional fees	8,288	4,515	4,340
Office	4,301	3,408	1,688
Storage fees	2,532	1,564	1,129
Depreciation	1,918	1,245	1,421
Insurance	1,623	1,873	1,853
Office rent	-	4,900	8,400
Stock maintenance fee	-	1,000	1,000
Repairs and maintenance	-	977	1,081
Vehicle	-	360	913
<i>Total Operating and General Expenses</i>	<u>44,899</u>	<u>49,235</u>	<u>43,461</u>
<b>Income from Operations</b>	<u>41,210</u>	<u>6,707</u>	<u>19,935</u>
<b>Other Income (Expense)</b>			
Unrealized gain (loss) on equity securities	136,790	102,672	(87,302)
Other income	32,008	-	-
Gain on disposal of assets	-	23,186	-
<i>Total Other Income (Expense)</i>	<u>168,798</u>	<u>125,858</u>	<u>(87,302)</u>
<b>Income (Loss) Before Taxes</b>	210,008	132,565	(67,367)
<b>Income Tax (Expense) Benefit</b>	<u>(59,064)</u>	<u>(37,202)</u>	<u>17,692</u>
<b>Net Income (Loss)</b>	<u>\$ 150,944</u>	<u>\$ 95,363</u>	<u>\$ (49,675)</u>

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

**California-Engels Mining Company**  
**Statements of Stockholders' Equity**  
**For the Years Ended December 31, 2022, 2021 and 2020**  
**(See Accountant's Compilation Report)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Capital Stock</b>			
\$0.25 par value: 4,000,000 shares authorized; 703,696.04, 703,696.04 and 704,846.04 shares issued and outstanding at December 31, 2022, 2021 and 2020, respectively			
Balance at beginning of year	\$ 175,924	\$ 176,211	176,261
Purchase and retirement of shares	<u>-</u>	<u>(287)</u>	<u>(50)</u>
Balance at end of year	<u>175,924</u>	<u>175,924</u>	<u>176,211</u>
<b>Reduction Surplus</b>			
Balance at beginning of year	2,751,381	2,753,393	2,754,143
Purchase and retirement of shares	<u>-</u>	<u>(2,012)</u>	<u>(750)</u>
Balance at end of year	<u>2,751,381</u>	<u>2,751,381</u>	<u>2,753,393</u>
<b>Accumulated Deficit</b>			
Balance at beginning of year	(2,323,412)	(2,418,775)	(2,369,100)
Net income (loss)	<u>150,944</u>	<u>95,363</u>	<u>(49,675)</u>
Balance at end of year	<u>(2,172,468)</u>	<u>(2,323,412)</u>	<u>(2,418,775)</u>
<b>Total Stockholders' Equity</b>	<u><u>\$ 754,837</u></u>	<u><u>\$ 603,893</u></u>	<u><u>\$ 510,829</u></u>

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

California-Engels Mining Company  
Statements of Cash Flows  
For the Years Ended December 31, 2022, 2021 and 2020  
(See Accountant's Compilation Report)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>			
Net Income (Loss)	\$ 150,944	\$ 95,363	\$ (49,675)
<i>Adjustments to reconcile net income (loss) to net cash provided by operating activities</i>			
Depreciation	1,918	1,245	1,421
Unrealized (gains) losses on equity investments	(136,790)	(102,672)	87,302
Gain on disposal of assets	-	(23,186)	-
Deferred income taxes	54,861	36,402	(18,492)
Changes in operating assets and liabilities			
Royalty receivable	(164)	(22)	51
Prepaid expenses	-	700	-
Accrued expenses	3,544	-	-
Deferred revenue	(100)	-	-
<b>Net Cash Provided by Operating Activities</b>	<u>74,213</u>	<u>7,830</u>	<u>20,607</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from asset disposals	-	24,719	-
Purchase of fixed assets	(5,747)	-	-
<b>Net Cash (Used) Provided by Investing Activities</b>	<u>(5,747)</u>	<u>24,719</u>	<u>-</u>
<b>Cash Flows from Financing Activities</b>			
Purchase and retirement of shares	-	(2,300)	(800)
<b>Net Cash Used by Financing Activities</b>	<u>-</u>	<u>(2,300)</u>	<u>(800)</u>
<b>Net Change In Cash and Cash Equivalents</b>	68,466	30,249	19,807
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>161,373</u>	<u>131,124</u>	<u>111,317</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 229,839</u>	<u>\$ 161,373</u>	<u>\$ 131,124</u>
<b>Supplemental Disclosure of Cash Flow Information</b>			
<i>Cash paid during the year for</i>			
Income taxes	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ 800</u>

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

## **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 purposes 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, 2022, the Company had \$193,368 in such 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 equity securities in publicly traded 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.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 21, 2023, the date the financial statements were available to be issued.

**2. Property and Equipment**

Property and equipment consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Land and land improvement	\$ 248,132	\$ 248,132
Furniture, equipment and vehicles	5,747	-
Less accumulated depreciation	<u>(8,100)</u>	<u>(6,182)</u>
Property and equipment, net	<u>\$ 245,779</u>	<u>\$ 241,950</u>

In 2021, the Dixie Fire destroyed the town of Greenville, California and all of the Company's furniture, equipment and vehicles were destroyed. The Company received insurance proceeds of \$24,719 and recognized a gain on disposal of \$23,186 during the year ended December 31, 2021. Depreciation expense was \$1,918, \$1,245, and \$1,421 for the years ended December 31, 2022, 2021 and 2020, respectively.

**3. Mining Claims and Fee Land Owned**

At December 31, 2022, 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 77 acres on Diamond Mountain Road along Lights Creek by the Company for possible commercial development.

At December 31, 2022, 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 - Deferred Income Taxes

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 year 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>2022</u>	<u>2021</u>	<u>2020</u>
Net gains and (losses) recognized during the year on equity securities	\$ 136,790	\$ 102,672	\$ (87,302)
Less: Net gains and (losses) recognized during the year on equity securities sold during the year	<u>-</u>	<u>-</u>	<u>-</u>
Unrealized gains and (losses) recognized during the year on equity securities held at the reporting date	<u>\$ 136,790</u>	<u>\$ 102,672</u>	<u>\$ (87,302)</u>

There were no sales of equity securities during the years ended December 31, 2022, 2021 or 2020.

#### 6. Contingent Liabilities

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

**7. Capital Stock**

The Company acquired and subsequently retired shares from estates totaling 1,150 shares of capital stock for \$2,300 in 2021 and 200 shares for \$800 in 2020.

**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.

**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 \$9,600 for each of the years ended December 31, 2022, 2021 and 2020. Storage rent received from one of the entities amounted to \$1,452 and \$252 for the years ended December 31, 2022 and 2021, respectively.

The Company pays rent and stock maintenance fees to an entity that shares common management with the Company. The expenses incurred for such services amounted to \$5,900 and \$9,400 for the years ended December 31, 2021 and 2020, respectively. No rent was paid during the year ended December 31, 2022 due to the Dixie Wildfire which destroyed the office building on August 4, 2021. The Company received \$32,008 from the entity for its share of fire damages during the year ended December 31, 2022.

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Income (Loss) - Numerator	\$ 150,944	\$ 95,363	\$ (49,675)
Weighted Shares - Denominator	<u>704,164</u>	<u>704,164</u>	<u>704,981</u>
Earnings (Loss) per Share	<u>\$ 0.214</u>	<u>\$ 0.135</u>	<u>\$ (0.070)</u>



**12. Income Taxes**

The income tax expense (benefit) consisted of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Federal income tax - current	\$ 3,403	\$ -	\$ -
State income tax - current	800	800	800
Deferred income taxes	<u>54,861</u>	<u>36,402</u>	<u>(18,492)</u>
<b>Total income tax expense (benefit)</b>	<b><u>\$ 59,064</u></b>	<b><u>\$ 37,202</u></b>	<b><u>\$ (17,692)</u></b>

Deferred income tax (liabilities) assets consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Deferred tax (liabilities) assets		
Unrealized (gain) loss on securities	\$ (31,038)	\$ 7,241
Basis difference in partnership and royalty trust investments	(47,719)	(47,002)
Depreciation	(1,338)	-
Net operating loss carryforward - federal	-	9,760
Net operating loss carryforward - state	<u>7,985</u>	<u>12,752</u>
<b>Total deferred tax (liabilities) assets</b>	<b><u>\$ (72,110)</u></b>	<b><u>\$ (17,249)</u></b>

At December 31, 2022, the Company had a California net operating loss carryforward of \$114,346 which can be used in future years without expiration.

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.

**13. Subsequent Event**

The Company plans to begin negotiations with Pacific Gas & Electric Company regarding damages done to its property and Engelmire Forest tree farm from the 2021 Dixie Fire in Plumas County, California. The extent of the impact was not known on the date the financial statements were issued.