

# MGC VENTURES, INC.

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON  
September 12, 2024

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TO: THE SHAREHOLDERS OF MGC VENTURES, INC.

The 2024 annual meeting (the “Meeting”) of shareholders of MGC Ventures, Inc. (the “Company”) will be held in the Company’s offices located at 999 W. Riverside Avenue, Suite 401, Spokane, Washington on Thursday, the 12<sup>th</sup> day of September 2024 at 10:00 a.m. local time for the following purposes:

- (1) To elect five members to the board of directors of the Company to hold such positions until the next annual meeting of shareholders or until their successors are elected and have qualified; and
- (2) To conduct any other business as may properly come before the Meeting or any adjournment or postponement thereof.

Shareholders of record at the close of business on July 24, 2024 are entitled to vote at the Meeting and any adjournment(s) or postponement(s) thereof. Whether or not you plan to attend the Meeting, please sign, date and return the enclosed proxy in the reply envelope provided as promptly as possible. Your proxy may be revoked by you at any time prior to the Meeting. The prompt return of your proxy will assist the Company in obtaining a quorum of shareholders for the Meeting, but will not affect your ability to change your vote by subsequent proxy or by attending the Meeting and voting in person. If you are unable to attend, your signed proxy will assure that your vote is counted.

BY ORDER OF THE BOARD OF DIRECTORS

*/s/ David P. Onzay, CFO*

Spokane, Washington  
August 8, 2024

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# MGC VENTURES, INC.

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## PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

To Be Held on September 12, 2024

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This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of MGC VENTURES, INC., a Washington corporation (the “Company”), for the 2024 annual meeting (the “Meeting”) of shareholders of the Company to be held at 10:00 a.m., local time, on September 12, 2024 and any adjournment or postponement thereof. These proxy materials were first mailed to shareholders on or about August 8, 2024.

The Meeting will be held in the Company’s offices located at 999 W. Riverside Avenue, Suite 401, Spokane, Washington.

### **PURPOSE OF MEETING**

The specific proposal to be considered and acted upon at the Meeting is summarized in the enclosed Notice of Annual Meeting of Shareholders.

### **VOTING RIGHTS AND SOLICITATIONS**

The Company’s common shares are the only security entitled to vote at the Meeting. If you were a shareholder of record of common shares of the Company at the close of business on July 24, 2024 (the “record date”), you may vote at the Meeting. On all matters requiring a shareholder vote at the Meeting, excluding the election of directors, each shareholder is entitled to one vote, in person or by proxy, for each common share of the Company recorded in his or her name, unless otherwise stated in this Proxy Statement.

With respect to the election of directors, each shareholder is entitled to cumulate his or her votes, meaning that such shareholder can multiply the number of shares owned by the number of board positions to be filled (of which there are five) and allocate such votes for all or as many director-nominees as he or she designates.

On the record date, 14,932,105 common shares of the Company were outstanding and eligible to be voted at the Meeting.

Pursuant to the Washington Business Corporation Act and the Company’s bylaws, the affirmative vote of the holders of a majority of the shares present at the Meeting, in person or by proxy, is required to elect directors.

Abstentions and broker non-votes will be treated as present for purposes of obtaining a quorum with respect to all matters to be considered at the Meeting, but will not be counted for or against any of the proposals to be voted upon at the Meeting.

If you are unable to attend the Meeting, you may vote by proxy. The enclosed proxy card is solicited by the Board of Directors of the Company and when returned, properly completed, will be voted as you direct on your proxy card. If the card is returned with no instructions on how the shares are to be voted, shares represented by such proxies will be voted **FOR** approval of Item 1.

You may revoke or change your proxy at any time before it is exercised at the Meeting. To do this, send a written notice of revocation or another signed proxy bearing a later date to the secretary of the Company at its principal executive office. You may also revoke your proxy by giving notice and voting in person at the Meeting.

### **COSTS OF SOLICITATION**

The cost of soliciting proxies will be borne by the Company. In addition, the Company will reimburse custodians, nominees and fiduciaries for their expenses in forwarding solicitation material to beneficial owners. Proxies may also be solicited personally or by telephone, telegram or facsimile by certain representatives of the Company, including directors, executive officers and other employees, who will not receive additional compensation therefor. The total cost of proxy solicitation, including legal fees and expenses incurred in connection with the preparation of this Proxy Statement, is estimated to be \$5,000.

### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth as of July 24, 2024, the names of, and number of common shares beneficially owned by, persons known to the Company to own more than five percent (5%) of the Company's common shares; the names of, and number of common shares beneficially owned by each director and executive officer of the Company; and the number of common shares beneficially owned by, all directors and executive officers as a group. At such date, 14,932,105 common shares of the Company were outstanding.

Name of Owner	Title	Beneficial Ownership	Percent of Class
Rockne J. Timm	President and Director	2,748,267	18.4%
A. Douglas Belanger	Executive Vice President and Director	2,778,999	18.6%
David P. Onzay	Chief Financial Officer	392,895	2.6%
Chris D. Mikkelsen	Director	594,753	4.0%
James H. Coleman	Director	1,114,503	7.5%
Patrick D. McChesney	Director	839,019	5.6%
All directors and executive officers as a group (6 persons)		8,468,436	56.7%

**Equity Incentive Plan** – The Company's 2016 Equity Incentive Plan (the "Plan") provides for the issuance of up to 4,000,000 shares of Common Stock. As of August 8, 2024, no options to purchase shares of Common Stock were outstanding, no restricted shares have been granted from the Plan, and 4,000,000 options remained available for grant under the Plan. The Plan is set to expire on June 9, 2026.

**The KSOP Plan** – The Company maintains a combined 401(k) salary reduction plan and stock ownership plan for the benefit of eligible employees of the Company. The KSOP Plan, which has not been utilized to date, was adopted by the Board of Directors on January 28, 1997 and approved by the shareholders on June 12, 1997.

## **DIRECTORS AND EXECUTIVE OFFICERS**

The names, business experience (for at least the last five years) and positions of the directors and executive officers of the Company as of August 8, 2024 are set out below. The Company's Board of Directors presently consists of five members. All directors presently serve until the next annual meeting of the Company's shareholders or until their successors are elected and qualified. Officers are appointed by the Board of Directors. There are no family relationships among these officers, nor any arrangements or understandings between any officer and any other person pursuant to which the officer was elected.

***Rockne J. Timm***, President and Director

Mr. Timm became President in 1996 and has been a Director since 1989. He has been a Director of Gold Reserve Inc since 1984. He was Chief Executive Officer of Gold Reserve Inc. and its predecessor from 1988 through February 2024, and prior to that he was President of Gold Reserve Inc. from 1988 through 2003. Mr. Timm is also President and a Director of Great Basin Energies, Inc. Mr. Timm resides in Spokane, Washington.

***A. Douglas Belanger***, Vice President and Director

Mr. Belanger became Vice President and a Director in 1997. He also serves as Vice President and a Director of Great Basin Energies, Inc. He had been President of Gold Reserve Inc. since January 2004, and Executive VP from 1988 through 2003, and a Director of Gold Reserve Inc. and its predecessor since 1988. Mr. Belanger retired from Gold Reserve Inc. effective December 31, 2022. Mr. Belanger resides in Spokane, Washington.

***David P. Onzay***, Chief Financial Officer

Mr. Onzay became the Company's Chief Financial Officer in January 2022 and is also the Chief Financial Officer of Gold Reserve Inc. and Great Basin Energies, Inc. He has been with the Company for over 30 years and previously served as the Company Controller. Mr. Onzay resides in Spokane, Washington.

***Chris D. Mikkelsen***, Director

Mr. Mikkelsen became a Director in 1997 and is also a Director of Great Basin Energies, Inc. Mr. Mikkelsen is retired. Prior to his retirement, he was a certified public accountant and, since 1976, his principal occupation was as a certified public accountant at the firm of Eide Bailly LLP (formerly McDirmid, Mikkelsen & Secrest, P.S.) based in Spokane, Washington. Mr. Mikkelsen resides in Spokane, Washington.

***James H. Coleman, K.C.***, Director

Mr. Coleman became a Director of the company in 1996. He is also a Director of Great Basin Energies, Inc. and various other public companies. Currently, he is President, Chairman Emeritus and a Director of Gold Reserve Inc. He is an attorney and recently retired senior partner of Norton Rose Fulbright Canada LLP and resides in Calgary, Alberta.

***Patrick McChesney***, Director

Mr. McChesney became a Director in 1989 and is also a Director of Great Basin Energies, Inc. Prior to his retirement, he was chief financial officer and chief technology officer of Foothills Auto Group, an automobile dealership group based in Spokane, Washington, a position he had held since 2005. Mr. McChesney resides in Las Vegas, Nevada.

## **EXECUTIVE COMPENSATION**

On December 7, 2023, the Board authorized payment of \$5,000 to David P. Onzay, a Named Executive Officer.

### **Options Granted to Named Executive Officers and Directors During the Year Ended December 31, 2023.**

No options were granted to the Named Executive Officers and Directors during the fiscal year ended December 31, 2023.

## **ITEM NO. 1- ELECTION OF DIRECTORS**

At the Meeting, five directors are to be elected. Unless authority to vote is withheld on a proxy, proxies in the form enclosed will be voted for the director-nominees identified below. If any nominee is not available for election (a contingency which the Company does not now foresee), it is the intention of the Board of Directors to recommend the election of a substitute nominee, and proxies in the form enclosed will be voted for the election of such substitute nominee unless authority to vote such proxies in the election of directors has been withheld.

### **NOMINEES TO THE BOARD OF DIRECTORS**

<b>Name</b>	<b>Position Held</b>	<b>Since</b>	<b>Age</b>
Rockne J. Timm	President and Director	1989	79
A. Douglas Belanger	Executive Vice President and Director	1997	71
Chris D. Mikkelsen	Director	1997	73
James H. Coleman	Director	1997	74
Patrick D. McChesney	Director	1989	74

***Background of Nominees.*** The business experience for the past five years of all nominees is set forth in the section titled Directors and Executive Officers of this Proxy Statement.

***Requisite Approval.*** The affirmative vote of a majority of the shares present at the Meeting, in person or by proxy, is required to elect directors. Shareholders are entitled to cumulate their votes in voting for directors.

### **THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE FOREGOING NOMINEES TO THE BOARD OF DIRECTORS.**

### **CONCLUSION**

It is important that proxies be returned promptly. Shareholders are requested to vote, sign, date and promptly return the proxy in the enclosed self-addressed envelope. The board of directors knows of no other matters, which may be presented for shareholder action at the Meeting. If other matters do properly come before the Meeting, it is intended that the persons named in the proxies will vote on such proposals according to their best judgment.

A COPY OF THE COMPANY'S 2023 AUDITED FINANCIAL STATEMENTS IS ENCLOSED WITH THIS PROXY STATEMENT.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ David P. Onzay, CFO

**MGC VENTURES, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**





## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of MGC Ventures, Inc.

### Opinion on the Financial Statements

We have audited the accompanying balance sheets of MGC Ventures, Inc. (the Company) as of December 31, 2023 and 2022, and the related statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the financial statements and (ii) involved our especially challenging, subjective, or complex judgments. We determined there are no critical audit matters.

Chartered Professional Accountants

/s/PricewaterhouseCoopers LLP

Vancouver, Canada

April 29, 2024

We have served as the Company's auditor since 2001.

PricewaterhouseCoopers LLP

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\*"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

# MGC VENTURES, INC.

## Balance Sheets

December 31, 2023 and 2022

(Expressed in U.S. dollars)

### ASSETS

	2023	2022
<b>Current Assets:</b>		
Cash and cash equivalents (Note 2)	\$ 396,338	\$ 423,742
Marketable equity securities (Note 3)	714,890	327,766
Prepaid expenses	3,360	3,208
Total assets	<u>\$ 1,114,588</u>	<u>\$ 754,716</u>

### LIABILITIES AND SHAREHOLDERS' EQUITY

<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 10,603	\$ 5,356
Total current liabilities	<u>10,603</u>	<u>5,356</u>
Deferred income tax (Note 7)	6,360	-
Total liabilities	<u>16,963</u>	<u>5,356</u>

#### Shareholders' Equity:

Preferred stock: \$ .001 par value		
Authorized: 10,000,000 shares		
Issued and outstanding: None		
Common stock: \$ .001 par value		
Authorized: 90,000,000 shares		
Issued and outstanding:		
2023 and 2022...14,932,105 shares	14,932	14,932
Additional paid-in capital	293,028	293,028
Stock options	100,429	100,429
Retained earnings	689,236	340,971
Total shareholders' equity	<u>1,097,625</u>	<u>749,360</u>
Total liabilities and shareholders' equity	<u>\$ 1,114,588</u>	<u>\$ 754,716</u>

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

**MGC VENTURES, INC.**  
**Statements of Income (Loss) and Comprehensive Income (Loss)**  
For the Years Ended December 31, 2023, 2022 and 2021  
*(Expressed in U.S. dollars)*

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>INCOME (LOSS)</b>			
Interest income	\$ 19,903	\$ 5,867	\$ 193
Unrealized gain (loss) on marketable equity securities (Note 3)	387,124	20,647	(105,814)
	<u>407,027</u>	<u>26,514</u>	<u>(105,621)</u>
<b>EXPENSES</b>			
General and administrative	33,376	21,244	20,263
Legal and accounting	19,026	15,543	17,642
	<u>52,402</u>	<u>36,787</u>	<u>37,905</u>
Net income (loss) before income tax	354,625	(10,273)	(143,526)
Income tax expense (Note 7)	(6,360)	—	(76)
Net income (loss) and comprehensive income (loss)	<u>\$ 348,265</u>	<u>\$ (10,273)</u>	<u>\$ (143,602)</u>
Net income (loss) per share:			
Basic and diluted	<u>\$ 0.02</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted average common shares outstanding:			
Basic and diluted	<u>14,932,105</u>	<u>14,932,105</u>	<u>14,932,105</u>

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

**MGC VENTURES, INC.**  
**Statements of Changes in Shareholders' Equity**  
For the Years Ended December 31, 2023, 2022 and 2021  
*(Expressed in U.S. dollars)*

	<u>Common Stock</u>		<u>Additional</u>	<u>Stock</u>	<u>Retained</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u> <u>Capital</u>	<u>Options</u>	<u>Earnings</u>
Balance, December 31, 2020	14,932,105	\$ 14,932	\$ 293,028	\$ 100,429	\$ 494,846
Net loss	—	—	—	—	(143,602)
Balance, December 31, 2021	14,932,105	14,932	293,028	100,429	351,244
Net loss	—	—	—	—	(10,273)
Balance, December 31, 2022	14,932,105	14,932	293,028	100,429	340,971
Net income	—	—	—	—	348,265
Balance, December 31, 2023	14,932,105	\$ 14,932	\$ 293,028	\$ 100,429	\$ 689,236

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

**MGC VENTURES, INC.**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2023, 2022 and 2021  
*(Expressed in U.S. dollars)*

	2023	2022	2021
<b>Cash Flows from Operating Activities:</b>			
Net income (loss)	\$ 348,265	\$ (10,273)	\$ (143,602)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Unrealized (gain) loss on marketable equity securities	(387,124)	(20,647)	105,814
Changes in non-cash working capital:			
Net increase in prepaid expense	(152)	(916)	(2,292)
Net increase in accounts payable and accrued expenses	5,247	1,539	50
Income tax	6,360	–	(3,764)
Net cash used in operating activities	(27,404)	(30,297)	(43,794)
<b>Change in Cash and Cash Equivalents:</b>			
Net decrease in cash and cash equivalents	(27,404)	(30,297)	(43,794)
Cash and cash equivalents – beginning of period	423,742	454,039	497,833
Cash and cash equivalents – end of period	\$ 396,338	\$ 423,742	\$ 454,039

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



# MGC VENTURES, INC.

## Notes to Financial Statements

### 1. THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

**The Company.** MGC Ventures, Inc. was incorporated under the laws of the State of Utah on December 11, 1984, and re-domiciled in the State of Washington in May 2001, for the purpose of acquiring mining properties and exploring for commercial ore deposits. The Company is not presently engaged in any mining activities. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

**Cash and cash equivalents.** The Company considers short-term, highly liquid investments purchased with an original maturity of three months or less to be cash equivalents for purposes of reporting cash equivalents and cash flows.

**Income Taxes.** The Company uses the liability method of accounting for income taxes. Deferred tax assets and liabilities are determined based on the differences between the tax basis of assets and liabilities and those amounts reported in the financial statements. The deferred tax assets or liabilities are calculated using the enacted tax rates expected to apply in the periods in which the differences are expected to be settled. Deferred tax assets are recognized to the extent that they are considered more likely than not to be realized.

**Net Income (Loss) Per Share.** Basic earnings per share is computed by dividing net loss by the weighted average number of shares outstanding during the period. The computation of diluted earnings per share is based on the treasury stock method which assumes that stock options are only exercised when the exercise price is below the average market price during the period, and that the Company will use the proceeds to purchase its common shares at the average market price during the period. In periods in which a loss is incurred, the effect of potential issuances of shares under options would be anti-dilutive, and therefore basic and diluted loss per share are the same. The Company classifies interest and penalties on underpayment of income tax as income tax expense.

**Marketable Securities.** The Company's marketable securities consist of equity securities which are reported at fair value with changes in fair value included in the statement of income (loss).

**Financial Instruments.** Marketable securities are measured at fair value at each reporting date, with the change in value recognized in the statement of income (loss) as a gain or loss. Cash and cash equivalents and accounts payable are accounted for at amortized cost which approximates fair value.

### 2. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Bank deposits	\$ 1,569	\$ 3,925
Short term investments	394,769	419,817
Total	<u>\$ 396,338</u>	<u>\$ 423,742</u>

Short term investments include money market funds and US treasury bills which mature in three months or less.

**MGC VENTURES, INC.**  
Notes to Financial Statements

**3. MARKETABLE EQUITY SECURITIES**

The Company's marketable equity securities are recorded at quoted market value. Gains and losses on marketable securities are recorded in the statements of income (loss). For the years ended December 31, 2023, 2022 and 2021, the Company recorded unrealized gain (loss) on marketable equity securities of \$387,124, \$20,647 and (\$105,814), respectively.

As of December 31, 2023 and 2022 the price per share of Gold Reserve Inc. was \$2.77 and \$1.27, respectively. In June 2019, the Company received \$196,143 as a return of capital from Gold Reserve Inc., resulting in a reduction of the cost basis to \$67,805. Marketable equity securities at December 31, 2023 and 2022 were as follows:

	Number of Common Shares	Cost	Unrealized Gain	Carrying/ Market Value
December 31, 2023 Gold Reserve Inc.	258,083	\$ 67,805	\$ 647,085	\$ 714,890
December 31, 2022 Gold Reserve Inc.	258,083	\$ 67,805	\$ 259,961	\$ 327,766

Accounting Standards Codification ("ASC") 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels: Level 1 inputs are quoted prices in active markets for identical assets or liabilities, Level 2 inputs are inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset or liability and Level 3 inputs are unobservable inputs for the asset or liability that reflect the entity's own assumptions. The fair value of the Company's marketable equity securities is considered to be the market value shown above which is based on Level 1 inputs.

**4. RELATED PARTY TRANSACTIONS**

The Company rents office space from Gold Reserve Inc. for \$500 per month. The President and Chief Financial Officer of the Company are also senior officers, directors and/or shareholders of Gold Reserve Inc.

**5. EMPLOYEE BENEFIT KSOP PLAN**

During 1997, the Company adopted and the shareholders approved a combined 401(k) salary reduction plan and stock ownership plan (the KSOP plan). The salary reduction component of the KSOP plan enables eligible employees of the Company to defer, from current taxation, a portion of his/her salary and receive matching contributions from the Company. The stock ownership component of the KSOP plan was established to provide eligible employees an opportunity to own stock in the Company. Neither component of the KSOP plan had been utilized as of December 31, 2023.

**6. EQUITY INCENTIVE PLAN**

The Company's equity incentive plan provides for the grant of stock options, stock appreciation rights and restricted stock to its employees, directors and consultants. Up to 4,000,000 shares may be issued under the plan, of which 1,500,000 shares may be restricted stock. For the years ended December 31, 2023 and 2022 no shares had been granted under the plan.



**MGC VENTURES, INC.**  
Notes to Financial Statements

**7. INCOME TAX**

The components of the deferred income tax assets and liabilities as of December 31, 2023 and 2022 were as follows:

	2023	2022
Deferred income tax assets		
Net operating loss carryforwards	\$ 73,310	\$ 66,485
Unrealized loss on marketable equity securities	–	1,626
	73,310	68,111
Valuation allowance	–	(68,111)
	73,310	–
Deferred income tax liabilities		
Unrealized gain on marketable equity securities	(79,670)	–
Net deferred income tax liability	\$ (6,360)	\$ –

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. In 2022, the Company has recorded a valuation allowance to reflect the estimated amount of the deferred tax assets which may not be realized, principally due to the uncertainty of utilization of net operating losses prior to expiration. The valuation allowance for deferred tax assets was reduced in 2023 due to a change in our estimate of future taxable income as a result of unrealized gains on marketable equity securities. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

The expense (benefit) for income taxes shown in the statements of income (loss) and comprehensive income (loss) for the years ended December 31, 2023, 2022 and 2021 differs from that calculated using the federal statutory rate applied to pre-tax income as follows:

	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Expense (benefit) at federal statutory rates	\$ 74,471	21	\$ (2,157)	(21)	\$ (30,140)	(21)
Change in valuation allowance	(68,111)	(19)	2,157	21	30,140	21
Additional Section 1291 tax	–	–	–	–	76	–
	\$ 6,360	2	\$ –	–	\$ 76	–

In 2021, the Company accrued additional income tax expense related to a 2020 accrual for underpayment of estimated tax due on Section 1291 tax from prior years.

For U.S. federal tax purposes, net operating losses incurred in 2018 and after are carried forward indefinitely. At December 31, 2023, the Company had the following U.S. federal tax basis loss carryforwards:

Amount	Expiration Year
\$ 4,864	2030
34,422	2031
24,408	2032
19,920	2033
32,696	2034
29,906	2035
30,444	2036
21,293	2037
151,142	–
\$ 349,095	