

U.S. Trustee Basic Monthly Operating Report

Case Name: IBCS Mining Inc.

Date Filed: June 27, 2014

Case Number: 14-81215

SIC Code: _____

Month (or portion) covered by this report: June 27, 2014 to July 31, 2014

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THIS U.S. TRUSTEE BASIC MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS ON BEHALF OF THE CHAPTER 11 DEBTOR AND, TO THE BEST OF MY KNOWLEDGE, THIS REPORT AND RELATED DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.


ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

8/15/2014
DATE REPORT SIGNED

DAVID STETSON CEO
PRINTED NAME OF RESPONSIBLE PARTY AND POSITION WITH DEBTOR

The debtor is required to provide financial reports prepared by or for the debtor in addition to the information required by this form. The U.S. Trustee may permit the debtor to eliminate duplicative information. No such permission is valid unless in writing.

QUESTIONNAIRE:	YES	NO
1. IS THE BUSINESS STILL OPERATING?	X	
2. DID YOU SELL ANY ASSETS OTHER THAN INVENTORY THIS MONTH?		X
3. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?	X	
4. DID YOU PAY ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?		X
5. DID YOU PAY ALL YOUR BILLS ON TIME THIS MONTH?	X	
6. DID YOU PAY YOUR EMPLOYEES ON TIME?		X
7. HAVE YOU FILED ALL OF YOUR RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	X	
8. DID YOU PAY ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?		X (a)
9. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?		X
10. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?	X	
11. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	X	
12. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?		X

(a) ¹As of August 12, 2014, all insurance premiums have been paid to current status.

- | | Yes | No |
|--|-----|-------|
| 13. DID YOU DEPOSIT ALL MONEY FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH? | X | |
| 14. DID THE BUSINESS SELL ANY GOODS OR PROVIDE SERVICES TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY? | | X |
| 15. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH? | X | |
| 16. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE UST? | | X (b) |

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS? X

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. [If you use an automated accounting system, please attach a copy of the Income Statement and Balance Sheet.]

TOTAL INCOME \$ 91,50

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS PAID THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. [If you use an automated accounting system, please attach a copy of the Disbursements Journal, otherwise attach a copy of the check register.]

TOTAL EXPENSES \$ 91,563.90

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B)

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C)

(Subtract the Total from Exhibit C from the Total of Exhibit B)

CASH PROFIT FOR THE MONTH (\$ 91,472.40)

(b) - The quarterly fee payments² to the UST were paid and mailed on August 13, 2014.

CASE NAME: IBCS Mining Inc., et. al.,
CASE NUMBER: 14-61215

CASH DISBURSEMENTS DETAIL

<u>DATE</u>	<u>PAYEE</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
6/30/2014	First Citizens Bank	Bank service charges	\$ 63.00
6/30/2014	First Citizens Bank	Bank service charges	70.00
7/23/2014	First Citizens Bank	Bank service charges	16.00
7/24/2014		Employee compensation	175.00
7/24/2014		Employee compensation	175.00
7/25/2014	Willis of Tennessee, Inc.	Insurance premium	1,890.15
7/25/2014		Employee compensation	1,768.23
7/25/2014		Employee compensation	1,768.22
7/25/2014		Employee compensation	1,904.20
7/28/2014	Community Trust Bank	DIP credit facility fees	66,285.99
7/28/2014		Employee compensation	447.82
7/28/2014		Employee compensation	549.56
7/28/2014		Employee compensation	552.68
7/28/2014		Employee compensation	763.41
7/28/2014		Employee compensation	447.82
7/28/2014		Employee compensation	549.55
7/28/2014		Employee compensation	552.70
7/28/2014		Employee compensation	763.40
7/28/2014		Employee compensation	590.92
7/28/2014		Employee compensation	692.66
7/28/2014		Employee compensation	676.82
7/28/2014		Employee compensation	906.60
7/30/2014	ADP	Payroll processing fees	21.00
7/31/2014	First Citizens Bank	Bank service charges	94.00
7/31/2014	First Citizens Bank	Bank service charges	38.00
7/31/2014	Community Trust Bank	Bank service charges	20.00
7/31/2014	CPB, LLC	Lease/rent	6,000.00
7/31/2014		Employee compensation	447.82
7/31/2014		Employee compensation	549.56
7/31/2014		Employee compensation	552.69
7/31/2014		Employee compensation	763.40
7/31/2014		Employee compensation	1,768.23
7/31/2014	Miscellaneous adjustment		(300.53)
			<u>\$ 91,563.90</u>

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE.

TOTAL PAYABLES \$ 553,727.82

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE.

TOTAL RECEIVABLES NONE

(EXHIBIT E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT.

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

6

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

8

PROFESSIONAL FEES

TOTAL PROFESSIONAL FEES APPROVED BY THE COURT DURING THIS REPORTING PERIOD?

\$ 0

TOTAL PROFESSIONAL FEES APPROVED BY THE COURT SINCE THE FILING OF THE CASE?

\$ 0

TOTAL PROFESSIONAL FEES INCURRED BY OR ON BEHALF OF THE DEBTOR DURING THIS REPORTING PERIOD?

\$ 106,930.64

TOTAL PROFESSIONAL FEES INCURRED BY OR ON BEHALF OF THE DEBTOR SINCE THE FILING OF THE CASE?

\$ 106,930.64

PROFESSIONAL FEES INCURRED BY OR ON BEHALF OF THE DEBTOR RELATED TO BANKRUPTCY DURING THIS REPORTING PERIOD?

\$ 106,930.64

PROFESSIONAL FEES INCURRED BY OR ON BEHALF OF THE DEBTOR RELATED TO BANKRUPTCY SINCE THE FILING OF THE CASE?

\$ 106,930.64

CASE NAME: IBCS Mining Inc., et. al.,
CASE NUMBER: 14-61215

DETAIL OF UNPAID BILLS

DATE	PAYEE	PURPOSE	AMOUNT	DUE DATE
June 2014	United States Trustee	Statutory bankruptcy fees	\$ 650.00	7/31/2014
July 2014	Hirschler & Fleischer	Bankruptcy counsel	106,930.64	Upon Court approval
July 2014	Accrued payroll and related taxes	Employee compensation	48,874.34	Immediate
July 2014	Accrued interest on DIP facility	Interest on DIP balance	314.05	9/1/2014
7/11/2014	Appalachian States Analytical, L.L.C	Water monitoring and reporting	32.25	7/31/2014
7/22/2014	Appalachian States Analytical, L.L.C	Water monitoring and reporting	32.25	7/31/2014
7/23/2014	Advance from Stetson	Working capital	20,032.29	Upon initial DIP funding
7/28/2014	DIP facility	Working capital	376,862.00	12/15/2014
			<u>\$ 553,727.82</u>	

PROJECTIONS

COMPARE YOUR ACTUAL INCOME, EXPENSES AND THE CASH PROFIT TO THE PROJECTIONS FOR THE FIRST 180-DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

PROJECTED INCOME FOR THE MONTH:	<u>\$ 0</u>
ACTUAL INCOME FOR THE MONTH (EXHIBIT B):	<u>\$ 91.50</u>
DIFFERENCE BETWEEN PROJECTED AND ACTUAL INCOME:	<u>\$ 91.50</u>
PROJECTED EXPENSES FOR THE MONTH:	<u>\$ 1,841,749</u>
TOTAL ACTUAL EXPENSES FOR THE MONTH (EXHIBIT C):	<u>91,564</u>
DIFFERENCE BETWEEN PROJECTED AND ACTUAL EXPENSES:	<u>1,750,185</u>
PROJECTED CASH PROFIT FOR THE MONTH:	<u>(\$ 1,841,749)</u>
ACTUAL CASH PROFIT FOR THE MONTH (TOTAL FROM EXHIBIT B MINUS TOTAL FROM EXHIBIT C)	<u>(91,564)</u>
DIFFERENCE BETWEEN PROJECTED AND ACTUAL CASH PROFIT:	<u>1,750,185</u>

[If actual cash profit was 90% or less of projected cash profit, please attach a detailed written explanation.]



Central Bank Operations - DAC02
 P.O. Box 27131
 Raleigh, NC 27611-7131



NC01

64822

IBCS MINING INC
OPERATING ACCOUNT
 944 GLENWOOD STATION LN STE 104
 CHARLOTTEVILLE VA 22901-1480

ZE
 933



Your Account(s) At A Glance	
Checking Balance	23.85+

Statement Period: July 1, 2014 Thru July 31, 2014

Account Number : 9937



Premier Business Checking

Account Number : 9937

Enclosures In Statement: 0

Beginning Balance	40.35+	Statement Period Days	31
1 Deposits	71.50+	Average Ledger Balance	128.00+
1 Other Credits	20.00+		
0 Checks	0.00		
1 Other Debits	73.00-		
Monthly Service Charge	35.00-		
Ending Balance	23.85+		

Deposits To Your Account

<u>Date</u>	<u>Amount</u>
07-02	71.50

Other Credits To Your Account

<u>Date</u>	<u>Description</u>	<u>Amount</u>
07-02	Bob Advantage Fee Adjustment	20.00
Total		20.00

Other Debits From Your Account

<u>Date</u>	<u>Description</u>	<u>Amount</u>
07-31	Business Online Banking Fee	73.00
Total		73.00

Monthly Service Charge Description

<u>Date</u>	<u>Description</u>	<u>Total Items</u>	<u>Item Fee</u>	<u>Amount</u>
07-31	Monthly Maintenance	1	35.0000	35.00
Total				35.00

Daily Balance Summary

<u>Date</u>	<u>Balance</u>	<u>Date</u>	<u>Balance</u>
07-02	131.85+	07-31	23.85+



Direct Customer Inquiry Calls To
 FIRST CITIZENS DIRECT
 Telephone Banking At 1-888-323-4732.

Statement Period: July 1, 2014 Thru July 31, 2014

Account Number : 9937



During this statement period, your account did not meet one or more of the balance requirements necessary to avoid monthly service charges. For information regarding the balance requirements on this account, please call our Customer Contact Center at 1-888-FC DIRECT (1-888-323-4732).



64822



Statement Period: July 1, 2014 Thru July 31, 2014

Account Number :

9937

FOLLOW THESE EASY STEPS TO BALANCE YOUR CHECKING ACCOUNT

- 1. Write here the ending balance shown on the front of this statement.
2. Add deposits not credited in this statement. (Use table A.)
3. Total of lines 1 and 2.
4. Checks and other debits outstanding not charged to your account. (Use table B.)
5. Subtract line 4 from line 3. This should be your current checkbook balance.

Table with 5 rows for balance calculation: 1 \$, 2 +\$, 3 =\$, 4 -\$, 5 =\$

Table B. Outstanding Checks/Debits with columns for Number and Amount

Table A. Deposits/Credits with columns for Date and Amount

Note: If your statement does not balance, please check to be sure you have entered in your check register all automatic transactions (service charges, advances, payments, drafts etc.) shown on the front of your statement. Please notify the Bank promptly of any discrepancy in your account statement.

How to Compute Interest Charges on Your Line of Credit. We figure the interest charge on your account by applying the periodic rate to your "average daily balance" (including current transactions). To get the "average daily balance," we first determine the daily balance of your Account each day. We take the beginning balance of your account each day, add any new advances and charges, and subtract any new payments or credits and any unpaid interest charges, credit insurance premiums, late charges and other charges that have been posted to the account. These calculations give us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance." Next, we multiply the "average daily balance" by the daily periodic rate applicable to your account. The daily periodic rate is determined by dividing the Annual Percentage Rate by 365. That result is then multiplied by the number of days in the billing cycle to obtain the monthly interest charge. Automatic payment debits are posted to your account after your "average daily balance" is calculated. Interest charges and any credit insurance premiums that accrue during each billing cycle are added to the balance of your account on the last day of the billing cycle prior to the calculation of your minimum payment.

Variable Rate. Unless the terms of your revolving line of credit specify that the rate is fixed, your daily periodic rate and Annual Percentage Rate are variable rates subject to change each month.

What To Do If You Think You Find A Mistake On Your Statement (Consumer Accounts Only). If you think there is an error on your statement, write to us at the address shown on page one of your statement. In your letter, give us the following information: (1) Account information: Your name and account number. (2) Dollar amount: The dollar amount of the suspected error. (3) Description of Problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake. You must contact us within 60 days after the error appeared on your statement. You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question. While we investigate whether or not there has been an error, the following are true: (1) We cannot try to collect the amount in question, or report you as delinquent on that amount; (2) The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount; (3) While you do not have to pay the amount in question, you are responsible for the remainder of your balance; (4) We can apply any unpaid amount against your credit limit.

Your Rights If You Are Dissatisfied With Your Credit Card Purchases (Consumer Accounts Only). This section applies if you access your line of credit using a credit card. If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase. To use this right, all of the following must be true: (1) The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.) (2) You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify. (3) You must not yet have fully paid for the purchase. If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at Credit Card Center-RVA01, P.O. Box 1580, Roanoke, VA 24007-9903; or by calling our Customer Contact Center at 1.888.323.4732. If you call, we may require you to provide us with a written statement concerning your dissatisfaction with the purchase. While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

Liability for Unauthorized Use of Credit Card (Consumer Accounts Only). If you notice the loss or theft of your credit card or a possible unauthorized use of your card, you should write to us immediately at: Credit Card Center-RVA01, P.O. Box 1580, Roanoke, VA 24007-9903, or call us at our Customer Contact Center, 1.888.323.4732. You will not be liable for any unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized use that occurs before your notice to us. In any case, your liability will not exceed \$50.

Credit History Errors. If you believe we have inaccurately reported information about your account history to a consumer reporting agency, please notify us in writing at the Bank address stated on page one of your statement.

Prompt Crediting of Payments. To receive credit for a payment on the date we receive the payment, we must receive your payment prior to 5:00 p.m. on a Bank business day (any day except Saturday, Sunday or a bank holiday). If paying at a branch or by mail, then payments must include the payment coupon. In addition, if paying by mail, payment must be mailed to the specific address furnished by the Bank. Payments received at any of our ATMs; payments received on a business day after 5:00 p.m.; payments received at a branch or by mail without a coupon; and, payments received on a day that is not a Bank business day, will be credited to your account no later than the next Bank business day.

Preauthorized Deposits. If direct deposits are made to your account at least every 60 days by the same person or entity, you can call us at the telephone number shown on page one of your statement to find out whether the deposit has been made.



Statement Period: July 1, 2014 Thru July 31, 2014

Account Number : 1937

In Case of Errors or Questions About Your Electronic Transfers (Consumer Accounts Only).

If you think your statement or receipt is wrong or if you need more information about a transfer on a statement or receipt, telephone or write us as soon as you can at the telephone number or address which appears on page one of your statement. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. You must: (1) tell us your name and account number; (2) describe the error or the transfer you are unsure about (including the date it occurred), and explain as clearly as you can why you believe it is in error or why you need more information; and (3) tell us the dollar amount of the suspected error. We will investigate your complaint and correct any error promptly. We may take up to 45 days to complete our investigation (90 days for transfers initiated outside the U.S. or resulting from point-of-sale debit-card transactions). If we take more than 10 business days (5 days for certain Visa® Check Card transactions; 20 days for certain new accounts), we will recredit your account for the amount you think is in error, so that you will have the use of the money during the time it takes to complete our investigation.

Credit Limit.

When you make a payment on your account, we may, at our option, delay advancing additional funds from your line of credit in reliance on that payment until we confirm that your payment has been fully and finally collected. If we placed a hold on a credited payment pending our final determination of collectability, the "Available Credit" amount on the front page of this statement will **not** reflect this payment and funds in the amount of the hold will **not** be available to you for subsequent advances until we confirm that your payment has been fully and finally collected.

Interest Charge.

The term "Interest Charge" on your statement has the same meaning as the term "Finance Charge" that may appear in your revolving line of credit documents.



Central Bank Operations - DAC02
 P.O. Box 27131
 Raleigh, NC 27611-7131



NC01

64823
IBCS MINING INC
ESCROW ACCOUNT
944 GLENWOOD STATION LN STE 104
CHARLOTTESVILLE VA 22901-1480

ZE
 933



Your Account(s) At A Glance	
Checking Balance	0.00

Statement Period: July 1, 2014 Thru July 31, 2014

Account Number : 9945



Premier Business Checking

Account Number : 9945

Enclosures In Statement: 0

Beginning Balance	5.00+	Statement Period Days	31
0 Deposits	0.00	Average Ledger Balance	5.00+
0 Other Credits	0.00		
0 Checks	0.00		
0 Other Debits	0.00		
Monthly Service Charge	5.00-		
Ending Balance	0.00		

Monthly Service Charge Description

<u>Date</u>	<u>Description</u>	<u>Total Items</u>	<u>Item Fee</u>	<u>Amount</u>
07-31	Monthly Maintenance	1	35.0000	5.00
Total				5.00

Daily Balance Summary

<u>Date</u>	<u>Balance</u>
07-31	0.00



During this statement period, your account did not meet one or more of the balance requirements necessary to avoid monthly service charges. For information regarding the balance requirements on this account, please call our Customer Contact Center at 1-888-FC DIRECT (1-888-323-4732).

Your Account Has A Zero Balance. The Account Will Be Considered Closed If A Deposit Is Not Made Within 30 Days. After 30 Days, You Must Visit A First Citizens' Office To Open Another Account If You So Desire.



Direct Customer Inquiry Calls To
FIRST CITIZENS DIRECT
 Telephone Banking At 1-888-323-4732.



Statement Period: July 1, 2014 Thru July 31, 2014

Account Number : 3945

FOLLOW THESE EASY STEPS TO BALANCE YOUR CHECKING ACCOUNT

1. Write here the ending balance shown on the front of this statement.
2. Add deposits not credited in this statement. (Use table A.)
3. Total of lines 1 and 2.
4. Checks and other debits outstanding not charged to your account. (Use table B.)
5. Subtract line 4 from line 3. This should be your current checkbook balance.

1	\$	
2	+\$	
3	=\$	
4	-\$	
5	=\$	

B. Outstanding Checks/Debits	
Number	Amount
Total Amount	

A. Deposits/Credits	
Date	Amount
Total Amount	

Note: If your statement does not balance, please check to be sure you have entered in your check register all automatic transactions (service charges, advances, payments, drafts etc.) shown on the front of your statement. Please notify the Bank promptly of any discrepancy in your account statement.

How to Compute Interest Charges on Your Line of Credit. We figure the interest charge on your account by applying the periodic rate to your "average daily balance" (including current transactions). To get the "average daily balance," we first determine the daily balance of your Account each day. We take the beginning balance of your account each day, add any new advances and charges, and subtract any new payments or credits and any unpaid interest charges, credit insurance premiums, late charges and other charges that have been posted to the account. These calculations give us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance." Next, we multiply the "average daily balance" by the daily periodic rate applicable to your account. The daily periodic rate is determined by dividing the Annual Percentage Rate by 365. That result is then multiplied by the number of days in the billing cycle to obtain the monthly interest charge. Automatic payment debits are posted to your account after your "average daily balance" is calculated. Interest charges and any credit insurance premiums that accrue during each billing cycle are added to the balance of your account on the last day of the billing cycle prior to the calculation of your minimum payment.

Variable Rate. Unless the terms of your revolving line of credit specify that the rate is fixed, your daily periodic rate and Annual Percentage Rate are variable rates subject to change each month.

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Your Rights if You Are Dissatisfied With Your Credit Card Purchases (Consumer Accounts Only). This section applies if you access your line of credit using a credit card. If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase. To use this right, all of the following must be true: (1) The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.) (2) You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify. (3) You must not yet have fully paid for the purchase. If all of the criteria above are met and you are still dissatisfied with the purchase, contact us *in writing* at Credit Card Center-RVA01, P.O. Box 1580, Roanoke, VA 24007-9903; or by calling our Customer Contact Center at 1.888.323.4732. If you call, we may require you to provide us with a written statement concerning your dissatisfaction with the purchase. While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

Liability for Unauthorized Use of Credit Card (Consumer Accounts Only). If you notice the loss or theft of your credit card or a possible unauthorized use of your card, you should write to us immediately at: Credit Card Center-RVA01, P.O. Box 1580, Roanoke, VA 24007-9903, or call us at our Customer Contact Center, 1.888.323.4732. You will not be liable for any unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized use that occurs before your notice to us. In any case, your liability will not exceed \$50.

Credit History Errors. If you believe we have inaccurately reported information about your account history to a consumer reporting agency, please notify us in writing at the Bank address stated on page one of your statement.

Prompt Crediting of Payments. To receive credit for a payment on the date we receive the payment, we must receive your payment prior to 5:00 p.m. on a Bank business day (any day except Saturday, Sunday or a bank holiday). If paying at a branch or by mail, then payments must include the payment coupon. In addition, if paying by mail, payment must be mailed to the specific address furnished by the Bank. Payments received at any of our ATMs; payments received on a business day after 5:00 p.m.; payments received at a branch or by mail without a coupon; and, payments received on a day that is not a Bank business day, will be credited to your account no later than the next Bank business day.

Preauthorized Deposits. If direct deposits are made to your account at least every 60 days by the same person or entity, you can call us at the telephone number shown on page one of your statement to find out whether the deposit has been made.



64823



Statement Period: July 1, 2014 Thru July 31, 2014

Account Number : 9945

In Case of Errors or Questions About Your Electronic Transfers (Consumer Accounts Only).

If you think your statement or receipt is wrong or if you need more information about a transfer on a statement or receipt, telephone or write us as soon as you can at the telephone number or address which appears on page one of your statement. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. You must: (1) tell us your name and account number; (2) describe the error or the transfer you are unsure about (including the date it occurred), and explain as clearly as you can why you believe it is in error or why you need more information; and (3) tell us the dollar amount of the suspected error. We will investigate your complaint and correct any error promptly. We may take up to 45 days to complete our investigation (90 days for transfers initiated outside the U.S. or resulting from point-of-sale debit-card transactions). If we take more than 10 business days (5 days for certain Visa® Check Card transactions; 20 days for certain new accounts), we will recredit your account for the amount you think is in error, so that you will have the use of the money during the time it takes to complete our investigation.

Credit Limit.

When you make a payment on your account, we may, at our option, delay advancing additional funds from your line of credit in reliance on that payment until we confirm that your payment has been fully and finally collected. If we placed a hold on a credited payment pending our final determination of collectability, the "Available Credit" amount on the front page of this statement will not reflect this payment and funds in the amount of the hold will not be available to you for subsequent advances until we confirm that your payment has been fully and finally collected.

Interest Charge.

The term "Interest Charge" on your statement has the same meaning as the term "Finance Charge" that may appear in your revolving line of credit documents.



Central Bank Operations - DAC02
 P.O. Box 27131
 Raleigh, NC 27611-7131



NC01

64824

IBCS MINING INC
PAYROLL ACCOUNT
 944 GLENWOOD STATION LN STE 104
 CHARLOTTESVILLE VA 22901-1480

ZE
 933



Your Account(s) At A Glance

Checking
 Balance 11,119.82+

Statement Period: July 1, 2014 Thru July 31, 2014

Account Number: 1953



Free Business Checking

Account Number: 9953

Enclosures In Statement: 0

Beginning Balance	337.89+	Statement Period Days	31
0 Deposits	0.00	Average Ledger Balance	3,706.00+
2 Other Credits	25,662.67+		
15 Checks	12,934.59-		
5 Other Debits	1,946.15-		
Monthly Service Charge	0.00		
Ending Balance	11,119.82+		

Other Credits To Your Account

Date	Description		Amount
07-23	Wire Transfer Ref Number = 000714	2	20,032.29
07-31	Wire Transfer Ref Number = 000051	2	5,630.38
Total			25,662.67

Checks Paid From Your Account

Check No.	Date	Amount	Check No.	Date	Amount	Check No.	Date	Amount
993	07-28	447.82	999	07-28	447.82	1005	07-28	590.92
994	07-28	549.56	1000	07-28	549.55	1006	07-28	692.66
996*	07-28	552.68	1002*	07-28	552.70	1007	07-28	676.82
997	07-25	1,768.23	1003	07-25	1,768.22	1008	07-25	1,904.20
998	07-28	763.41	1004	07-28	763.40	1009	07-28	906.60

*Prior Check Number(s) Not Included or Out of Sequence.

Other Debits From Your Account

Date	Description	Amount
07-23	Wire Transfer Fee	16.00
07-25	lpfs800-791-7901 lpfspmtgaa **1533	1,890.15
07-30	Adp Payroll Fees Adp - Fees *res* ***6041	21.00
07-31	Wire Transfer Fee	16.00
07-31	Paper Statement Fee	3.00
Total		1,946.15



Direct Customer Inquiry Calls To
FIRST CITIZENS DIRECT
 Telephone Banking At 1-888-323-4732.

Statement Period: July 1, 2014 Thru July 31, 2014

Account Number : 1953

Daily Balance Summary

<u>Date</u>	<u>Balance</u>	<u>Date</u>	<u>Balance</u>
07-23	20,354.18+	07-28	5,529.44+
07-25	13,023.38+	07-30	5,508.44+
		07-31	11,119.82+



Statement Period: July 1, 2014 Thru July 31, 2014

Account Number : . 3953

In Case of Errors or Questions About Your Electronic Transfers (Consumer Accounts Only). If you think your statement or receipt is wrong or if you need more information about a transfer on a statement or receipt, telephone or write us as soon as you can at the telephone number or address which appears on page one of your statement. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. You must: (1) tell us your name and account number; (2) describe the error or the transfer you are unsure about (including the date it occurred), and explain as clearly as you can why you believe it is in error or why you need more information; and (3) tell us the dollar amount of the suspected error. We will investigate your complaint and correct any error promptly. We may take up to 45 days to complete our investigation (90 days for transfers initiated outside the U.S. or resulting from point-of-sale debit-card transactions). If we take more than 10 business days (5 days for certain Visa® Check Card transactions; 20 days for certain new accounts), we will recredit your account for the amount you think is in error, so that you will have the use of the money during the time it takes to complete our investigation.

Credit Limit. When you make a payment on your account, we may, at our option, delay advancing additional funds from your line of credit in reliance on that payment until we confirm that your payment has been fully and finally collected. If we placed a hold on a credited payment pending our final determination of collectability, the "Available Credit" amount on the front page of this statement will not reflect this payment and funds in the amount of the hold will not be available to you for subsequent advances until we confirm that your payment has been fully and finally collected.

Interest Charge. The term "Interest Charge" on your statement has the same meaning as the term "Finance Charge" that may appear in your revolving line of credit documents.



Statement of Account
 Last statement: July 24, 2014
 This statement: July 31, 2014

3244 Page 1 of 1

Temp-Return Service Requested

Direct Inquiries to:
 606 432-1414

Community Trust Bank, Inc.
 346 N Mayo Trl
 Pikeville KY 41501-1492

015068 0.4500 MB 0.435 TR00053

PKTR

IBCS MINING INC
 DEBTOR IN POSSESSION
 944 GLENWOOD STATION LN SUITE 104
 CHARLOTTESVILLE VA 22901

0

Summary of Account Balance

Account	Number	Ending Balance
CHECKING	4002913244	\$304,349.62

CHECKING 1244

Date	Description	Additions	Subtractions	Balance
07-24	Beginning balance			\$0.00
07-28	#Deposit	310,000.00		310,000.00
07-31	#Outgoing Wire Manual 201407310012937 IBCS MINING, INC B/O MICHAEL DEAN		-5,630.38	304,369.62
07-31	#Out Wire Fee Manual 201407310012937 IBCS MINING, INC B/O MICHAEL DEAN		-20.00	304,349.62
07-31	Ending totals	310,000.00	-5,650.38	\$304,349.62

PKTR-001-015068-001-000-140801 015068 K05
 22901148029

CASE NAME: IBCS Mining
 CASE NUMBER: 14-61215

Form 9-AB-1
ACCRUAL BASIS-1
 Rev 5/95

COMPARATIVE BALANCE SHEET

ASSETS	SCHEDULE AMOUNT	Jul-14	MONTH	MONTH
1. UNRESTRICTED CASH	(360.30)	305,061.59		
2. RESTRICTED CASH	600,000.00	600,000.00		
3. TOTAL CASH	599,639.70	905,061.59		
4. ACCOUNTS RECEIVABLE (NET)	0.00	0.00		
5. INVENTORY	0.00	0.00		
6. NOTES RECEIVABLE	0.00	0.00		
7. PREPAID EXPENSES	0.00	6,000.00		
8. OTHER (ATTACH LIST)	0.00	0.00		
9. TOTAL CURRENT ASSETS	0.00	6,000.00		
10. PROPERTY, PLANT & EQUIPMENT	6,214,755.00	6,214,755.00		
11. LESS: ACCUMULATED DEPRECIATION / DEPLETION	0.00	0.00		
12. NET PROPERTY, PLANT & EQUIPMENT	6,214,755.00	6,214,755.00		
13. DUE FROM INSIDERS				
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)	100,421.00	100,421.00		
15. OTHER (ATTACH LIST)	0.00	0.00		
16. TOTAL ASSETS	6,914,815.70	7,226,237.59		
POSTPETITION LIABILITIES				
17. ACCOUNTS PAYABLE	0.00	64.50		
18. TAXES PAYABLE	0.00	0.00		
19. NOTES PAYABLE	0.00	0.00		
20. PROFESSIONAL FEES	0.00	106,930.64		
21. SECURED DEBT	0.00	376,862.00		
22. OTHER (ATTACH LIST)	0.00	69,870.21		
23. TOTAL POSTPETITION LIABILITIES	0.00	553,727.35	0.00	0.00
PREPETITION LIABILITIES				
24. SECURED DEBT	4,158,205.40	4,158,205.40		
25. PRIORITY DEBT	13,505.43	13,505.43		
26. UNSECURED DEBT	3,107,446.68	3,107,446.68		
27. OTHER (ATTACH LIST)	0.00	0.00		
28. TOTAL PREPETITION LIABILITIES	7,279,157.51	7,279,157.51		
29. TOTAL LIABILITIES	7,279,157.51	7,832,884.86		
EQUITY				
30. PREPETITION OWNERS' EQUITY	(364,341.81)	(364,341.81)		
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)	N/A	(242,305.46)		
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)	0.00	0.00		
33. TOTAL EQUITY	(364,341.81)	(606,647.27)		
34. TOTAL LIABILITIES & OWNERS' EQUITY	6,914,815.70	7,226,237.59		

CASE NAME: IBCS Mining Inc., et. al.,
CASE NUMBER: 14-61215

COMPARATIVE BALANCE SHEET - SUPPLEMENTAL SCHEDULES

Item 14 - Other Assets

Reclamation Bond	\$ 100,421.00
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Item 22 - Post-Petition Liabilities - Other

Cash advance from D. Stetson (CRO) to fund payroll	\$ 20,032.29
Accrued and unpaid payroll	42,992.61
Accrued and unpaid payroll taxes	5,881.26
Fees payable to United States Trustee	650.00
Accrued interest on DIP facility	314.05

Total	<u>\$ 69,870.21</u>
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CASE NAME: IBCS Mining, Inc., et. al.
 CASE NUMBER: 14-61215

Form 9-AB-2
ACCRUAL BASIS-2
 Rev. 5/95

INCOME STATEMENT

	Jul-14	MONTH	MONTH	QUARTER TOTAL
REVENUES				
1. GROSS REVENUES	\$91.50			\$91.50
2. LESS: RETURNS & DISCOUNTS	0.00			
3. NET REVENUE	91.50	0.00	0.00	91.50
COST OF GOODS SOLD				
4. MATERIAL	(64.50)			(64.50)
5. DIRECT LABOR	(18,892.32)			(18,892.32)
6. DIRECT OVERHEAD	0.00			0.00
7. TOTAL COST OF GOODS SOLD	(18,956.82)	0.00	0.00	(18,956.82)
8. GROSS PROFIT	(18,865.32)	0.00	0.00	(18,865.32)
OPERATING EXPENSES				
9. OFFICER / INSIDER COMPENSAT	(42,992.61)			(42,992.61)
10. SELLING & MARKETING	0.00			0.00
11. GENERAL & ADMINISTRATIVE	(4,355.70)			(4,355.70)
12. RENT & LEASE	0.00			0.00
13. OTHER (ATTACH LIST)	(1,911.15)			(1,911.15)
14. TOTAL OPERATING EXPENSES	(49,259.46)	0.00	0.00	(49,259.46)
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	(68,124.78)	0.00	0.00	(68,124.78)
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME (ATT.	0.00			0.00
17. NON-OPERATING EXPENSE (ATT	(66,285.99)			(66,285.99)
18. INTEREST EXPENSE	(314.05)			(314.05)
19. DEPRECIATION / DEPLETION	0.00			0.00
20. AMORTIZATION	0.00			0.00
21. OTHER (ATTACH LIST)	0.00			0.00
22. NET OTHER INCOME & EXPENSE	(66,600.04)	0.00	0.00	(66,600.04)
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES	(106,930.64)			(106,930.64)
24. U.S. TRUSTEE FEES	(650.00)			(650.00)
25. OTHER (ATTACH LIST)	0.00			0.00
26.	(107,580.64)	0.00	0.00	(107,580.64)
27. NET INCOME (LOSS)	(\$242,305.46)	\$0.00	\$0.00	(\$242,305.46)
28.				

CASE NAME: IBCS Mining Inc., et. al.,
CASE NUMBER: 14-61215

INCOME STATEMENT - SUPPLEMENTAL SCHEDULES

Item 13 - Operating Expenses - Other

General liability insurance premium	\$	1,890.15
Payroll processing fees		21.00
		<u>1,911.15</u>

Item 17 - Other Income and Expenses - Non-Operating Expense

DIP lender loan origination fees	\$	40,000.00
DIP lender legal, title, and recording fees		26,285.99
Bank service charges		-
Total		<u>66,285.99</u>

CASE NAME: IBCS Mining, Inc., et. al.
 CASE NUMBER: 14-61215

Form 9-AB-3
ACCRUAL BASIS-3
 Rev. 5/95

CASH RECEIPTS AND DISBURSEMENTS	Jul-14	MONTH	MONTH	QUARTER
				TOTAL
1. CASH - BEGINNING OF MONTH	(\$360.30)			(\$360.30)
RECEIPTS FROM OPERATIONS				
2. CASH SALES	0.00			0
COLLECTION OF ACCOUNTS RECEIVABLE				
3. PREPETITION	0.00			0.00
4. POSTPETITION	0.00			0.00
5. TOTAL OPERATING RECEIPTS	0.00			0.00
NON - OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)	396,894.29			396,894.29
7. SALE OF ASSETS	0.00			0.00
8. OTHER (ATTACH LIST)	91.50			91.50
9. TOTAL NON-OPERATING RECEIPTS	396,985.79	0.00	0.00	396,985.79
10. TOTAL RECEIPTS	396,985.79	0.00	0.00	396,985.79
11. TOTAL CASH AVAILABLE	396,625.49	0.00	0.00	396,625.49
OPERATING DISBURSEMENTS				
12. NET PAYROLL	17,065.76			17,065.76
13. PAYROLL TAXES PAID	0.00			0.00
14. SALES, USE & OTHER TAXES	0.00			0.00
15. SECURED / RENTAL / LEASES	6,000.00			6,000.00
16. UTILITIES	0.00			0.00
17. INSURANCE	1,890.15			1,890.15
18. INVENTORY PURCHASES	0.00			0.00
19. VEHICLE EXPENSES	0.00			0.00
20. TRAVEL	0.00			0.00
21. ENTERTAINMENT	0.00			0.00
22. REPAIRS & MAINTENANCE	0.00			0.00
23. SUPPLIES	0.00			0.00
24. ADVERTISING	0.00			0.00
25. OTHER (ATTACH LIST)	322.00			322.00
26. TOTAL OPERATING DISBURSEMENTS	25,277.91			25,277.91
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES	0.00			0.00
28. U.S. TRUSTEE FEES	0.00			0.00
29. OTHER (ATTACH LIST)	66,285.99			66,285.99
30. TOTAL REORGANIZATION EXPENSES	66,285.99	0.00	0.00	66,285.99
31. TOTAL DISBURSEMENTS	91,563.90	0.00	0.00	91,563.90
32. NET CASH FLOW	305,421.89	0.00	0.00	305,421.89
33. CASH - END OF MONTH	305,061.59	0.00	0.00	305,061.59

CASE NAME: IBCS Mining Inc., et. al.,
CASE NUMBER: 14-61215

CASH RECEIPTS AND DISBURSEMENTS - SUPPLEMENTAL SCHEDULES

Item 6 - Non-Operating Receipts - Loans and Advances

Debtor-in-Possession Facility draws	\$ 376,862.00
Cash advance from D. Stetson (CRO) to fund payroll	20,032.29
	<u>\$ 396,894.29</u>

Item 8 - Non-Operating Receipts - Other

Return of excess retainer by Stites and Harbison PLLC	\$ 71.50
Bank service charge credit	20.00
Total	<u>\$ 91.50</u>

Item 25 - Operating Disbursements - Other

Bank service charges - First Citizens Bank	\$ 281.00
Bank service charges - Community Trust Bank	20.00
Payroll processing fees - ADP	21.00
Total	<u>\$ 322.00</u>

Item 29 - Reorganization Expense - Other

DIP lender loan origination fees	\$ 40,000.00
DIP lender legal, title, and recording fees	26,285.99
Total	<u>\$ 66,285.99</u>

CASE NAME: IBCS Mining, Inc., et. al
CASE NUMBER: 14-61215

Form 9-AB-5

ACCRUAL BASIS-5

Rev. 5/95

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: Jul-14

BANK RECONCILIATIONS					
	Account #1	Account #2	Account #3		
A. BANK:	First Citizens	First Citizens	First Citizens	Community Trust	
B. ACCOUNT NUMBER:	8924679937	8924679945	8924679953	4002913244	TOTAL
C. PURPOSE (TYPE):	Operating	Escrow	Payroll	Operating (new)	
1. BALANCE PER BANK STATEMENT	23.85	0.00	11,119.82	304,349.62	315,493.29
2. ADD: TOTAL DEPOSITS NOT CREDITED					0.00
3. SUBTRACT: OUTSTANDING CHECKS			(4,431.70)	(6,000.00)	(10,431.70)
4. OTHER RECONCILING ITEMS					0.00
5. MONTH END BALANCE PER BOOKS	23.85	0.00	6,688.12	298,349.62	305,061.59
6. NUMBER OF LAST CHECK WRITTEN	N/A	N/A	1151	Starter Check	

INVESTMENT ACCOUNTS					
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE		CURRENT VALUE
7. None					
8.					
9.					
10.					
11. TOTAL INVESTMENTS					

CASH	
12. CURRENCY ON HAND	0.00
13. TOTAL CASH - END OF MONTH	305,061.59

CASE NAME: IBCS Mining, Inc., et. al
 CASE NUMBER: 14-61215

Form 9-AB-6
ACCURAL BASIS-6
 Rev. 5/95

MONTH: July 2014

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. NONE			
2.			
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS			

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *
1. NONE					
2.					
3.					
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS					

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. NONE			
2.			
3.			
4.			
5.			
6. TOTAL			

CASE NAME: IBCS Mining Inc.
 CASE NUMBER: 14-61215

Form 9-AB-7 Rev. 5/95
 ACCRUAL BASIS-7

MONTH: Jul-14

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT (such as an Attorney account)?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	X	
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?	X	
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?	X	
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

See supplemental schedule attached.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

Subsequent to the Petition Date, the Debtor has brought all necessary insurance premium current.

INSURANCE DETAIL

TYPE OF POLICY	CARRIER	PERIOD COVERED	COVERAGE (AMOUNT)
Workers Compensation	Kentucky Employers Mutual Insurance Co. (KEMI)	11/8/13 - 11/8/14	Statutory Workers' Compensation; \$1,000,000 Bodily Injury - each accident; \$1,000,000 Bodily Injury - by disease policy limit; \$1,000,000 Bodily Injury - by disease each employee
Workers Compensation	Selective Insurance Company of SC	5/15/14 - 5/15/15	\$500,000 each accident; \$500,000 by disease each employee; \$500,000 by disease policy limit
General Liability	Arch Insurance	9/1/13 - 9/1/14	\$2,000,000 General Aggregate; \$1,000,000 Each Occurrence; \$2,000,000 Products; \$1,000,000 Personal and Advertising Injury; \$100,000 Damage to Rented Premises; \$10,000 Medical Expense; \$1,000,000 Employee Benefits - Aggregate; \$1,000,000 Employee Benefits - Each Wrongful Act
General Liability	Selective Insurance Company of America	5/15/14 - 5/15/14	\$1,000,000 each occurrence; \$100,000 damage to rented premises; \$5,000 medical expense; \$1,000,000 Personal and Adv Injury; \$2,000,000 General Aggregate; \$2,000,000 Products - Comp/Op Aggregate
Automobile	Arch Insurance	9/1/13 - 9/1/14	\$1,000,000 Combined Single Limit
Automobile	Selective Insurance Company of America	5/15/14 - 5/15/15	\$1,000,000 Combined Single Limit

CASE NAME: IBCS Mining Inc., et. al.,
CASE NUMBER: 14-61215

QUESTIONNAIRE - SUPPLEMENTAL SCHEDULES

Item 4 - Payment of Pre-Petition Liabilities

Per Court Order, certain pre-petition insurance, payroll and/or critical vendor claims may have been paid.

Item 5 - Post-Petition Loans

In accordance with the Interim Order (I) Authorizing Debtors to Obtain Limited Post-Petition Date Financing Pursuant to 11 U.S.C. 105, 364(c) (1), and 364 (e); and (II) Scheduling Final Hearing Under Bankruptcy Rule 4001 (Docket #95), the Company obtained an advance of \$20,032.29 for working capital needs. The advance was repaid, in full, on August 4, 2014.

In accordance with Interim Order (I) Authorizing Debtors to (A) Obtain Secured Post-Petition Date Financing Pursuant to Sections 105, 361, 362, 363, 364(c) and 364(d) of the Bankruptcy Code; and (II) Scheduling Final Hearing Under Bankruptcy Rule 4001 (Docket #114) the Company entered into a Debtor-in-Possession Financing Agreement dated July 25, 2014 with Community Trust Bank.

Item 6 - Post-Petition Payroll Taxes

As of July 31, 2014, post-petition payroll taxes in the amount of \$4,508.05 (including employee withholdings) were past due. Payment of this amount was remitted on August 6, 2014.

CASE NAME: IBCS Mining, Inc., et. al.
 CASE NUMBER: 14-61215

Form 9-DS Rev. 2/96

DISBURSEMENTS SUMMARY

MONTH: July 2014

Total Disbursements from Operating Account	(Note 1)	\$72,213.58
Total Disbursements from Payroll Account	(Note 2)	19,312.44
Total Disbursements from Tax Escrow Account	(Note 3)	0.00
Total Disbursements from any other Account	(Note 4)	37.88
Grand Total, all Disbursements		\$91,563.90

Note 1 -- Include in this amount all checks written, wire transfers made from, and any other withdrawal from the general operating account. Exclude only transfers to the debtor-in-possession payroll account, the debtor-in-possession tax escrow account or other debtor-in-possession account where the disbursements will be listed on this report.

Note 2 -- Include in this amount all checks written, wire transfers made from, and any other withdrawal from the payroll account. Exclude only transfers to the debtor-in-possession operating account, the debtor-in-possession tax escrow account or other debtor-in-possession account where the disbursements will be listed on this report.

Note 3 -- Include in this amount all checks written, wire transfers made from, and any other withdrawal from the tax escrow account. Exclude only transfers to debtor-in-possession operating account, the debtor-in-possession payroll account or other debtor-in-possession account where the disbursements will be listed on this report.

Note 4 -- Include in this amount any other disbursements made by the debtor including (but not limited to) cash paid from a petty cash fund or cash register, amounts paid from any other debtor in possession account, and amounts paid from the accounts of others on the debtor's behalf (for example, disbursements made from a law firm's escrow account as a result of a sale of property).