

Geostar Mineral CORP
Form 10QSB
September 11, 2007

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
FOR THE QUARTERLY PERIOD ENDED JULY 31, 2007

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from to

Commission file number 333-139986

GEOSTAR MINERAL CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0516589

(IRS Employer Identification No.)

**706 - 15038 101 Avenue
Surrey, British Columbia
Canada V3R 0N2**

(Address of principal executive offices, including zip code.)

(604) 687-3624

(Registrant's telephone number, including area code)

The Company is a Shell company: Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

As of August 27, 2007, the Company had 5,511,400 shares of common stock outstanding.

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INTERIM FINANCIAL STATEMENTS

Geostar Mineral Corporation
(An Exploration Stage Company)
(Unaudited)

July 31, 2007

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Geostar Mineral Corporation
(An Exploration Stage Company)
Balance Sheets
(Unaudited)

| | July 31, 2007 | October 31, 2006 |
|--|------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 31,510 | \$ 600 |
| Total Assets | \$ 31,510 | \$ 600 |
| LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT) | | |
| Current Liabilities | | |
| Accounts Payable | \$ 3,603 | \$ - |
| Due to related parties | 13,259 | 13,184 |
| Total Liabilities | 16,862 | 13,184 |
| Stockholders Equity (Deficit) | | |
| Preferred stock, 100,000,000 shares authorized, \$0.00001 par value none issued and outstanding | - | - |
| Common stock, 100,000,000 shares authorized, \$0.00001 par value 5,511,400 and 5,000,000 shares issued and outstanding, respectively | 55 | 50 |
| Additional paid-in capital | 556,085 | 500,450 |
| Deficit accumulated during the exploration stage | (541,492) | (513,084) |
| Total Stockholders Equity (Deficit) | 14,648 | (12,584) |
| Total Liabilities and Stockholders Equity (Deficit) | \$ 31,510 | \$ 600 |

See accompanying summary of accounting policies and notes to financial statements

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Geostar Mineral Corporation
 (An Exploration Stage Company)
 Statements of Operations
 For the Three and Nine Months Period Ended July 31, 2007 and the Period from
 September 12, 2006 (Inception) Through July 31, 2007
 (Unaudited)

| | For the Three Months Ended July 31, 2007 | For the Nine Months Ended July 31, 2007 | September 12, 2006 (Inception) through July 31, 2007 |
|---|--|---|--|
| Operating Expenses | | | |
| Compensation expense | \$ - | \$ - | \$ 499,950 |
| Consulting services | 750 | 2,250 | 2,500 |
| General and administrative | 8,606 | 9,222 | 11,856 |
| Rent | 750 | 2,250 | 2,500 |
| Legal and accounting | 4,500 | 14,686 | 24,686 |
| Total Expenses | 14,606 | 28,408 | 541,492 |
| Net Loss | \$ (14,606) | \$ (28,408) | \$ (541,492) |
| Net Loss Per Common Share Basic and Diluted | \$ (0.00) | \$ (0.01) | |
| Weighted Average Number of Common Shares Outstanding | 5,511,400 | 5,202,100 | |

See accompanying summary of accounting policies and notes to financial statements

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Geostar Mineral Corporation
(An Exploration Stage Company)
Statements of Cash Flows

For the Nine Month Period Ended July 31, 2007 and the Period from
September 12, 2006 (Inception) Through July 31, 2007
(Unaudited)

| | For the Nine Months Ended July 31, 2007 | September 12, 2006 (Inception) through July 31, 2007 |
|---|---|--|
| Operating Activities | | |
| Net loss | \$ (28,408) | \$ (541,492) |
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Stock based compensation | - | 499,950 |
| Contributed rent and consulting services | 4,500 | 5,000 |
| Change in: | | |
| Accounts payable | 3,603 | 3,603 |
| Due to related parties | 75 | 13,259 |
| Net Cash Used in Operating Activities | (20,230) | (19,680) |
| Net Cash Provided by Financing Activities | | |
| Proceeds from the sale of common stock | 51,140 | 51,190 |
| Increase in Cash | 30,910 | 31,510 |
| Cash - Beginning of Period | 600 | - |
| Cash - End of Period | \$ 31,510 | \$ 31,510 |
| Supplemental Disclosure of Cash Flow Information | | |
| Cash paid during the period for : | | |
| Interest | \$ - | \$ - |
| Income taxes | \$ - | \$ - |

See accompanying summary of accounting policies and notes to financial statements

Geostar Mineral Corporation
 (An Exploration Stage Company)
 Statement of Changes in Stockholders' Deficit
 For the Period From September 12, 2006 (Inception) Through July 31, 2007
 (Unaudited)

| | Common Stock | | Additional | Deficit | |
|---|--------------|--------|------------|-------------|-----------|
| | Shares | Amount | Paid-in | Accumulated | Total |
| | | | Capital | During the | |
| | | | | Exploration | |
| | | | | Stage | |
| Balances at September 12, 2006 (Inception) | | \$ | \$ | \$ | \$ |
| Issuance of common stock for cash at \$0.00001 per share | 5,000,000 | 50 | | | 50 |
| Stock based compensation | | | 499,950 | | 499,950 |
| Donated services | | | 500 | | 500 |
| Net loss | | | | (513,084) | (513,084) |
| Balances at October 31, 2006 | 5,000,000 | 50 | 500,450 | (513,084) | (12,584) |
| Issuance of common stock for cash at \$0.10 per share | 511,400 | 5 | 51,135 | | 51,140 |
| Donated services | | | 4,500 | | 4,500 |
| Net loss | | | | (28,408) | (28,408) |
| Balances at July 31, 2007 | 5,511,400 | \$ | 55 | \$ | \$ |
| | | | 556,085 | (541,492) | 14,648 |

See accompanying summary of accounting policies and notes to financial statements

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Geostar Mineral Corporation
(An Exploration Stage Company)
Notes to the Financial Statements
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited interim financial statements of Geostar have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with Geostar's audited 2006 annual financial statements and notes thereto. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements, which would substantially duplicate the disclosure required in Geostar's 2006 annual financial statements have been omitted.

NOTE 2 - GOING CONCERN

These financial statements have been prepared on a going concern basis, which implies Geostar will continue to meet its obligations and continue its operations for the next fiscal year. Realization value may be substantially different from carrying values as shown and these financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should Geostar be unable to continue as a going concern. As at July 31, 2007, Geostar has a working capital deficiency, has not generated revenues and has accumulated losses of \$541,492 since inception. The continuation of Geostar as a going concern is dependent upon the continued financial support from its shareholders, the ability of Geostar to obtain necessary equity financing to continue operations, and the attainment of profitable operations. These factors raise substantial doubt regarding the Geostar's ability to continue as a going concern.

NOTE 3 - RELATED PARTY TRANSACTIONS

- a) During the nine month period ended July 31, 2007, the Company recognized a total of \$2,250 for donated services at \$250 per month for nine months for donated rent and \$2,250 for consulting services at \$250 per month for nine months provided by the President and Director of the Company. These transactions are recorded at the exchange amount which is the amount agreed to by the transacting parties.
- b) On July 31, 2007, Geostar owed the President and Director of Geostar \$13,259 for expenses paid on behalf of Geostar and for cash advances. This amount is unsecured, non interest bearing, and has no specific terms for repayment.

NOTE 4 - COMMON STOCK

- a) On January 3, 2007, the Company issued 111,000 shares of common stock at \$0.10 per share for cash proceeds of \$11,100.
- b)

- On April 16, 2007, the Company issued 96,000 shares of common stock at \$0.10 per share for cash proceeds of \$9,600.
- c) On April 30, 2007, the Company issued 304,400 shares of common stock at \$0.10 per share for cash proceeds of \$30,440.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

This Form 10-QSB for the period ended July 31, 2007 includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Plan of Operation

We are a start-up, exploration stage corporation and have not yet generated or realized any revenues from our business operations.

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated any revenues and no revenues are anticipated until we begin removing and selling minerals. There is no assurance we will ever reach this point. In April 2007, we raised \$51,140 in our public offering of common stock. It should last 12 months.

We will be conducting research in the form of exploration of the property. Our exploration program is explained in as much detail as possible in the business section of our prospectus. We are not going to buy or sell any plant or significant equipment during the next twelve months.

The property is located 170 miles east of Vancouver, near Beaverdell on the West Kettle River. The property is in the Greenwood Mining Division, and is centered at approximately 49°22' N latitude and 119°06' W. longitude. The Beaverdell community lies 3 miles to the north, on Highway 33; Kelowna and the junction with Highway 97 lies 50 miles to the north, while Rock Creek and the junction of Highways 3 and 33 is 27 miles to the south. A network of secondary roads, including the rail bed of the abandoned Kettle River Railway access most parts of the property. The property is situated within the Monashee Mountains and elevations range from 2,500 feet along the West Kettle River to 3,200 feet at the northwestern edge of the property.

Our exploration target is to find mineralized material. Mineralized material is a mineralized body, which has been delineated by appropriate spaced drilling or underground sampling to support sufficient tonnage and average grade of metals to justify removal. This includes a determination by our consultant if the property contains reserves. We have not selected a consultant as of the date of this report. If we don't find mineralized material or we cannot remove mineralized material, either because we do not have the money to do it or because it is not economically feasible to do it, we will cease operations and you will lose your investment.

In addition, we may not have enough money to complete our exploration of the property. If it turns out that we have not raised enough money to complete our exploration program, we will try to raise additional funds from a

second public offering, a private placement or loans. At the present time, we have not made any plans to raise additional money and there is no assurance that we would be able to raise additional money in the future. In we need additional money and can't raise it, we will have to suspend or cease operations.

We must conduct exploration to determine what amount of minerals, if any, exist on our properties and if any minerals which are found can be economically extracted and profitably processed.

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The property is undeveloped raw land. We intend to start exploration operations in 90 days after the completion of our public offering, weather permitting. To our knowledge, the property has never been mined. The only event that has occurred is the staking of the property by Madman Mining Co. and a physical examination of the property by Mr. Protskiv, our president and director. The registering the cells was included in the \$2,200 paid to Madman Mining Co. No additional payments were made or are due to Madman Mining Co. for its services. The claims were recorded in Mr. Protskiv's name to avoid incurring additional costs at this time. The additional fees would be for incorporation of a British Columbia corporation and legal and accounting fees related to the incorporation. On November 3, 2006, Mr. Protskiv executed a declaration of trust acknowledging that he holds the property in trust for us and he will not deal with the property in any way, except to transfer the property to us. In the event that Mr. Protskiv transfers title to a third party, the declaration of trust will be used as evidence that he breached his fiduciary duty to us. Mr. Protskiv has not provided us with a signed or executed bill of sale in our favor. Mr. Protskiv will issue a bill of sale to a subsidiary corporation to be formed by us should mineralized material be discovered on the property. Mineralized material is a mineralized body, which has been delineated by appropriate spaced drilling or underground sampling to support sufficient tonnage and average grade of metals to justify removal. Before minerals retrieval can begin, we must explore for and find mineralized material. After that has occurred we have to determine if it is economically feasible to remove the mineralized material. Economically feasible means that the costs associated with the removal of the mineralized material will not exceed the price at which we can sell the mineralized material. We can't predict what that will be until we find mineralized material. Mr. Protskiv does not have a right to sell the property to anyone. He may only transfer the property to us. He may not demand payment for the claims when he transfer them to us. Further, Mr. Protskiv does not have the right to sell the claims at a profit to us if mineralized material is discovered on the property. Mr. Protskiv must transfer title to us, without payment of any kind, regardless of what is or is not discovered on the property.

We do not know if we will find mineralized material. We believe that activities occurring on adjoining properties are not material to our activities. The reason is that what ever is located under adjoining property may or may not be located under our property.

We do not claim to have any minerals or reserves whatsoever at this time on any of our property.

We intend to implement an exploration program which consists of core sampling. Core sampling is the process of drilling holes to a depth of up to 300 feet in order to extract a samples of earth. Mr. Protskiv, after confirming with our consultant, will determine where drilling will occur on the property. Mr. Protskiv will not receive fees for his services. The samples will be tested to determine if mineralized material is located on the property. Based upon the tests of the core samples, we will determine if we will terminate operations; proceed with additional exploration of the property; or develop the property. The proceeds from this offering are designed to only fund the costs of core sampling and testing. We intend to take our core samples to analytical chemists, geochemists and registered assayers located in Vancouver, British Columbia.

We estimate the cost of drilling will be \$20 per foot drilled. We will drill approximately 3,000 linear feet or 8 holes to depth of 300 feet. We will pay a consultant up to a maximum of \$5,000 per month for his services during the three month period or a total of \$15,000. The total cost for analyzing the core samples will be \$3,000.

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We do not intend to interest other companies in the property if we find mineralized materials. We intend to try to develop the reserves ourselves through the use of consultant. We have no plans to interest other companies in the property if we do not find mineralized material. To pay the consultant and develop the reserves, we will have to raise additional funds through a second public offering, a private placement or through loans. As of the date of this report, we have no plans to raise additional funds other than the funds being raised in our public offering. Further, there is no assurance we will be able to raise any additional funds even if we discover mineralized material and a have a defined ore body.

If we are unable to complete any phase of exploration because we don't have enough money, we will cease operations until we raise more money. If we can't or don't raise more money, we will cease operations. If we cease operations, we don't know what we will do and we don't have any plans to do anything.

We don't intend to hire additional employees at this time. All of the work on the property will be conduct by unaffiliated independent contractors that we will hire. The independent contractors will be responsible for surveying, geology, engineering, exploration, and excavation. The geologists will evaluate the information derived from the exploration and excavation and the engineers will advise us on the economic feasibility of removing the mineralized material.

Milestones

The following are our milestones:

- 1.

Lon E. Otremba
Beverly A. Huss
Robert B. Shermano

3. Election of Directors. Elect three new Directors of the Company and vote on the election of two Class II Directors to serve

For all Nominees Listed Below (except as marked to the contrary below)

Withhold Authority (to vote for all nominees listed below)

(To withhold authority to vote for any individual nominee, strike a line through the nominees name below)

Charles A. Schliebs
Terry Knapp, M.D.
Robert Binkele
Barry Vogel
Eric Donsky

When shares are held by joint tenants, both should sign. When signing as attorney-in-fact, executor, administrator, trustee, g

Signature(s) of Stockholder(s)

Title, if any

Date: _____