

KERRISDALE MINING CORP  
Form 10-Q  
December 08, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

X QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended October 31, 2008**

\_\_\_ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_ to \_\_\_

**KERRISDALE MINING CORPORATION**

(Name of small business issuer in its charter)

Nevada	333-147698	98-0557582
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Floor 8, Xueyuan Tower

No. 1 Zhichun Road

Beijing, Peoples Republic of China, 100083  
(Address of Principal Executive Office)

Registrant's telephone number, including area code: 86-1501-158-6601

Edgar Filing: KERRISDALE MINING CORP - Form 10-Q

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 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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of October 31, 2008 the Issuer had 4,200,000 shares of common stock issued and outstanding.

**PART 1 - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS AND EXHIBITS**

(a)

The financial statements of Kerrisdale Mining Corporation (the "Company"), included herein were prepared, without audit, pursuant to rules and regulations of the Securities and Exchange Commission. Because certain information and notes normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America were condensed or omitted pursuant to such rules and regulations, these financial statements should be read in conjunction with the financial statements and notes thereto included in the audited financial statements of the Company as included in the Company's Form 10-K for the fiscal year ended July 31, 2008, filed with the Securities and Exchange Commission on October 27, 2008.

**KERRISDALE MINING CORPORATION**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED OCTOBER 31, 2008**

**(UNAUDITED)**

INDEX

	Page
Balance Sheet	4
Statement of Operations	5
Statement of Changes in Shareholder Equity	6
Statements of Cash Flows	7
Notes to Financial Statements	8



**KERRISDALE MINING CORPORATION**  
**(PRE-EXPLORATION STAGE COMPANY)**  
**BALANCE SHEET**  
**October 31, 2008**

	<u>October 31, 2008</u>	July 31, 2008
<b>CURRENT ASSETS</b>		
Cash	\$ 463	\$ 1,606
Total Current Assets	463	1,606
<b>TOTAL ASSETS</b>	<b>\$ 463</b>	<b>\$ 1,606</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ -	\$ -
Total Current Liabilities	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock		
510,000,000 shares authorized, at \$.001 par value; 4,200,000 issued and outstanding	4,200	4,200
Capital in excess of par value	29,891	29,891
Deficit accumulated during the pre-exploration stage	(33,628)	(32,485)
Total Stockholders' Equity	463	1,606
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 463</b>	<b>\$ 1,606</b>

See notes to financial statements

- 4 -



**KERRISDALE MINING CORPORATION**  
**(PRE-EXPLORATION STAGE COMPANY)**  
**STATEMENT OF OPERATIONS**

**For the period December 19, 2006 (Date of Inception) to October 31, 2008**

	3 months ended Oct. 31,		For the period Dec. 19, 2006 (date of inception) to October 31, 2008
	2008	2007	
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENSES</b>			
Administrative and development	1,143	859	33,628
Total operating expenses	1,143	859	33,628
<b>NET OPERATING LOSS</b>	(1,143)	(859)	(33,628)
<b>NET LOSS</b>	\$ (1,143)	\$ (859)	\$ (33,628)
<b>NET LOSS PER COMMON SHARE</b>	\$ (0.00)	\$ (0.00)	
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>	4,200,000	4,200,000	

See notes to financial statements

- 5 -

**KERRISDALE MINING CORPORATION**  
**(PRE-EXPLORATION STAGE COMPANY)**  
**STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY**  
**For the period December 19, 2006 (Date of Inception) to October 31, 2008**

	Common Stock		Capital in Excess of Par Value	Accumulated Deficit
	Shares	Amount		
Balance December 19, 2006 (Date of Inception)	-	\$ -	\$ -	\$ -
Issuance of common stock from inception to July 31, 2007	4,200,000	4,200	29,891	-
Net loss from operations for the period Dec. 19, 2007 (Date of Inception) to July 31, 2007	-	-	-	(3,737)
Net loss from operations for the year ended July 31, 2007				(28,748)
Net loss from operations for the three months ended October 31, 2008				(1,143)
Balance at October 31, 2008	4,200,000	\$ 4,200	\$ 29,891	\$ (33,628)

See notes to financial statements

- 6 -

**KERRISDALE MINING CORPORATION**  
**(PRE-EXPLORATION STAGE COMPANY)**  
**STATEMENT OF CASH FLOWS**

**For the period December 19, 2006 (Date of Inception) to October 31, 2008**

	3 months ended October 31,		For the period Dec.
	2008	2007	19, 2006 (date of inception) to October 31, 2008
<b>Cash flows from operating activities:</b>			
Net (loss)	\$ (1,143)	\$ (859)	\$ (33,628)
Net cash used in operating activities	\$ (1,143)	\$ (859)	\$ (33,628)
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of common stock	\$ -	\$ -	\$ 34,091
Net cash used by financing activities	\$ -	\$ -	\$ 34,091
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,143)	(859)	463
<b>Cash and cash equivalents, beginning of period</b>	1,606	30,354	-
<b>Cash and cash equivalents, end of period</b>	463	29,495	\$ 463

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Interest	
Paid	\$ -
Taxes Paid	\$ -

See notes to financial statements

- 7 -

***KERRISDALE MINING CORPORATION***

***(Pre-Exploration Stage Company)***

***NOTES TO FINANCIAL STATEMENTS***

***October 31, 2008***

**1. ORGANIZATION**

The Company was incorporated under the laws of the State of Nevada on December 19, 2006 with the name Kerrisdale Mining Corporation with authorized common stock of 75,000,000 shares at \$0.001 par value. On July 10, 2008, all of the members of the Registrant's board of directors and stockholders owning a majority of the Registrant's voting stock jointly adopted and approved an amendment to the Registrant's Articles of Incorporation to change the Corporation's authorized capital stock (the Authorized Shares Amendment) from 75,000,000 shares of authorized capital stock, all of which were common stock, par value \$0.001 per share, to 510,000,000 shares of authorized capital stock, consisting of 500,000,000 shares of common stock, par value \$0.001 per share, and 10,000,000 shares of blank check preferred stock, par value \$0.001 per share, with the right conferred upon the Board of Directors to set the designations, preferences, limitations, privileges, qualifications, as well as dividend, conversion, voting, and other special or relative rights, with respect to the preferred stock as the Board of Directors shall determine from time to time. The Authorized Shares Amendment became effective on July 14, 2008, the date of filing of the Certificate of Amendment with the State of Nevada's Secretary of State.

The Company was organized for the purpose of acquiring and developing mineral properties. At the report date mineral claims, with unknown reserves, had been acquired. The Company has not established the existence of a commercially minable ore deposit and therefore is considered to be in the pre-exploration stage.

The Company has elected to have its fiscal year end on July 31.

**2.**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting Methods

The Company recognizes income and expenses based on the accrual method of accounting.

#### Dividend Policy

The Company has not adopted a policy regarding payment of dividends to its shareholders.

#### Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with a maturity, at the time of purchase, of less than three months, to be cash equivalents.

#### Basic and Diluted Net Income (Loss) Per Share

Basic net incomes (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Diluted net income (loss) per share amounts are computed using the weighted average number of common shares and common equivalent shares outstanding as if shares had been issued on the exercise of any common share rights unless the exercise becomes anti-dilutive and then only the basic per share amounts are shown in the report.

#### Environmental Requirements

At the report date environmental requirements related to the mineral claim interests acquired are





unknown and therefore an estimate of any future cost cannot be made.

#### Foreign Currency Translation

Part of the transactions of the Company were completed in Canadian dollars and have been translated to US dollars as incurred, at the exchange rate in effect at the time, and therefore, no gain or loss from the translations is recognized. US dollars are considered to be the functional currency.

#### Financial Instruments

The carrying amounts of financial instruments are considered by management to be their estimated fair values due their short term maturities.

#### Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax basis of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect, when the differences are expected to reverse. An allowance against deferred tax assets is recorded when it is more likely than not that such tax benefits will not be realized.

At October 31, 2008 the Company had net operating losses available for carry forward of \$33,628. The tax benefit of approximately \$10,088 from the loss carry forward has been fully offset by a valuation reserve because the use of the future tax benefit is doubtful as the Company is unable to establish a predictable projection of operating profits for future years.

The net operating loss carryover will expire in 2029.

#### Recent Accounting Pronouncements

The Company does not expect that the adoption of other recent accounting pronouncements will have a material impact on its financial statements.

#### Financial and Concentration Risks

The Company does not have any concentration or related financial credit risk.

#### Revenue Recognition

Revenue will be recognized on the sale and delivery of a product or the completion of a service provided.

#### Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

**3.**

### **ACQUISITION OF MINING CLAIMS**

The company was organized for the purpose of exploring and assessing the mineral potential of the Kerrisdale property. This property is located in south-central British Columbia, Canada. The Kerrisdale Property consists of 1 Cell claim totaling 369.5 hectares registered on January 29, 2007 with a Good-to-



Date of January 29, 2010.

The claim has not been proven to have commercially recoverable reserves and therefore the acquisition and exploration costs have been expensed.

**4.**

#### **CAPITAL STOCK**

During the period of December 19, 2006 (date of inception) to July 31, 2007 the Company issued 4,200,000 private placement shares of common stock for \$34,091. There were no outstanding stock warrants or options at any time during the period. During the period ended October 31, 2008 the Company did not issue any shares of common stock.

**5.**

#### **SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES**

Officers-directors of the Company have acquired 47.6 % of the common stock issued.

**ITEM 2.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

**DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this report, including statements in the following discussion are what are known as forward-looking statements, which are basically statements about the future. For that reason, these statements involve risk and uncertainty since no one can accurately predict the future. Words such as plans, intends, will, hopes, anticipates, expects, and the like, often identify such forward-looking statements, but are not the only indication that a statement is a forward-looking statement. Such forward-looking statements include statements concerning our plans and objectives with respect to the present and future operations of the Company, and statements which express or imply that such present and future operations will or may produce revenues, income or profits. Numerous factors and future events could cause the Company to change such plans and objectives, or fail to successfully implement such plans or achieve such objectives, or cause such present and future operations to fail to produce revenues, income or profits. Therefore, the reader is advised that the following discussion should be considered in light of the discussion of risks and other factors contained in this report on Form 10-Q and in the Company's other filings with the Securities and Exchange Commission. No statements contained in the following discussion should be construed as a guarantee or assurance of future performance or future results.

**Overview**

We were incorporated December 19, 2006 under the laws of the State of Nevada. We are a start-up, exploration stage corporation and have not yet generated or realized any revenues from our business activities. We do not own any interest in any property, but merely have the right to conduct exploration activities on the Kerrisdale Property. We have completed limited initial exploration work on the Kerrisdale Property and subject to our ability to raise sufficient capital, we intend to initiate further exploration activities commencing in spring, 2009.

If we are unable to complete the intended further exploration activities because we don't have enough money, we will cease activities until we raise more money. If we cannot raise more money to complete the planned exploration program, it is anticipated that we will cease activities. Even if we complete our further exploration program and it is successful in identifying a mineral deposit, there is no assurance that we will continue operations because we would be required to raise substantial additional funds for purposes of further drilling and engineering studies before we would know if we have a commercially viable mineral deposit.

**Plan of Operations**

In June, 2007, the initial geological work on the Kerrisdale Property was completed and a preliminary geological report was produced.

We may start to do some exploration work on the property in 2009 and we anticipate that the initial phase of exploration of the property will cost approximately \$15,000. We do not currently have plans to commence the phase one program because we do not have the funds available to do so. As of October 31, 2008, we have approximately \$463 of cash on hand. These funds will are not expected to be sufficient even to cover basic operating expenses and costs associated with preparation and filing of required periodic reports for the next year. Therefore, we will need to obtain additional capital to pay basic operating expenses and also to pay the estimated costs of the first phase of exploration before proceeding with completion of the proposed phase one exploration program.

We currently do not have a specific plan of how we will obtain such funding; however, we anticipate that additional funding will be in the form of equity financing from the sale of our common stock. We may also seek to obtain short-term loans from our directors, although no such arrangement has been made. At this time, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock or through a loan from our directors to meet our obligations over the next twelve months. We do not have any arrangements in place for any future equity financing.

Another factor which may affect our ability to proceed with the proposed phase one exploration program is a current shortage of qualified geologists as a result of recent increases in mining activity in Canada. Even if we are able to obtain the funds necessary to proceed with the phase one exploration program, it may be necessary to delay the program because of difficulties in finding a qualified geologist with the time available to work on our project.

As indicated above, the Company is currently considering sources and availability of the funds needed to allow it to proceed with the planned exploration of its mining claim. However, because of uncertainties related to our ability to obtain necessary financing and proceed with the planned exploration and potential future development of our mining claim, we are also currently seeking other business opportunities.

### **Results of Activities**

#### ***From Inception on December 19, 2006***

We acquired the right to explore the Kerrisdale Property. We do not own any interest in the Kerrisdale Property, but merely have the right to conduct exploration activities on it under the terms of an agreement with our former President, John Morita. We have conducted the initial exploration work on the property in June 2007, but currently have no plans to do any further exploration work on the property because we do not have the funds available to do so.

Since inception, we have spent a total of \$3,737 on staking and initial exploration work on the Kerrisdale Property.

### **Liquidity and Capital Resources**



As of the date of this 10-Q, we have yet to generate any revenues from our business activities.

In January 2007, we issued 2,000,000 shares of common stock through a private placement pursuant to section Regulation S of the Securities Act of 1933 to our then current officers and directors, John Morita and John Y. L. He, for total consideration of \$4,000.00.

In March 2007, we completed a private placement of 1,200,000 restricted shares of common stock to six individuals pursuant to Reg. S of the Securities Act of 1933 and raised \$9,600.00.

In July 2007, we completed a private placement of 1,000,000 restricted shares of common stock to twenty-five individuals pursuant to Reg. S of the Securities Act of 1933 and raised \$20,000.

As of October 31, 2008, our total assets were \$463, all in the form of cash, and we had no liabilities.

#### OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

**ITEM 3.**

**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Not Applicable

**ITEM 4T.**

**CONTROLS AND PROCEDURES.**

**Disclosure Controls and Procedures**

The Securities and Exchange Commission defines the term "disclosure controls and procedures" to mean a company's controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company maintains such a system of controls and procedures in an effort to ensure that all information which it is required to disclose in the reports it files under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms and that information required to be disclosed is accumulated and communicated to principal executive and principal financial officers to allow timely decisions regarding disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are designed to provide reasonable assurance of achieving the objectives of timely alerting them to material information required to be included in our periodic SEC reports and of ensuring that such information is recorded, processed, summarized and reported within the time periods specified. Our chief executive officer and chief financial officer also concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance of the achievement of these objectives.

**Changes in Internal Control over Financial Reporting**

There was no change in the Company's internal control over financial reporting during the period ended October 31, 2008, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**PART II-OTHER INFORMATION**

**ITEM 1.**

**LEGAL PROCEEDINGS.**

The Company is not a party to any pending legal proceedings, and no such proceedings are known to be contemplated. No director, officer or affiliate of the Company, and no owner of record or beneficial owner of more than 5.0% of the securities of the Company, or any associate of any such director, officer or security holder is a party adverse to the Company or has a material interest adverse to the Company in reference to pending litigation.

**ITEM 1A. RISK FACTORS.**

Not Applicable.

**ITEM 2.**

**UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

None.

**ITEM 3.**

**DEFAULTS UPON SENIOR SECURITIES.**

None.

**ITEM 4.**

**SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

No matters were submitted to a vote of the security holders of the Company during the fourth quarter of the fiscal year which ended July 31, 2008.

**ITEM 5.**

**OTHER INFORMATION.**

None.

**ITEM 6.**

**EXHIBITS.**

(a)

The following exhibits are filed herewith:

31.1

Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.\*

31.2

Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.\*

32.1

Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\*



32.2

Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\*

\* filed herewith

## **SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### **KERRISDALE MINING CORPORATION**

By: /s/ Huoqi Chen,  
CEO, CFO, Director

Date: December 5, 2008