

ABBOTT MINES LTD
Form 10-Q
April 30, 2002

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10QSB

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 FOR THE QUARTERLY PERIOD ENDED **MARCH 31, 2002**

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 333-46884

ABBOTT MINES LIMITED

(Exact name of registrant as specified in its charter)

Nevada 88-0467845
(State of other jurisdiction of incorporation (IRS Employer Identification Number)
or organization)

1040 West Georgia
Suite 1160
Vancouver, British Columbia
Canada V6E 4H1

(Address of principal executive offices)

(604) 605-0885

(Registrant's telephone number, including area code)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of March 31, 2001:
6,031,199

ITEM I.

Part 1 - Financial Statements

ABBOTT MINES LIMITED
(an Exploration Stage Enterprise)
BALANCE SHEETS

| | March 31, 2002 (Unaudited) | June 30, 2001 |
|--|----------------------------------|------------------|
| | | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 18,967 | \$ 51,200 |
| | | |
| Total Current Assets | 18,967 | 51,200 |
| | | |
| OTHER ASSETS | | |
| Mining claims | 135 | 135 |
| | | |
| Total Other Assets | 135 | 135 |
| | | |
| TOTAL ASSETS | \$ 19,102 | \$ 51,335 |
| | | |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ - | \$ 2,772 |
| Related party payables | 1,272 | - |
| | | |
| Total Current Liabilities | 1,272 | 2,772 |
| | | |
| COMMITMENTS AND CONTINGENCIES | | |
| | - | - |
| | | |
| STOCKHOLDERS' EQUITY | | |
| Common stock, 100,000,000 shares authorized, \$0.00001 par value; 6,031,199 shares issued and outstanding | 60 | 60 |
| | | |

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| | | |
|---|-----------------------------|-----------------------------|
| Additional paid-in-capital | 603,060 | 603,060 |
| Deficit accumulated during exploration stage | (585,290) | (554,557) |
| | <u> </u> | <u> </u> |
| TOTAL STOCKHOLDERS' EQUITY | 17,830 | 48,563 |
| | <u> </u> | <u> </u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 19,102 | \$ 51,335 |
| | <u> </u> | <u> </u> |

See notes to interim financial statements

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ABBOTT MINES LIMITED
(an Exploration Stage Enterprise)
STATEMENTS OF OPERATIONS

| | Three Months Ended March 31, 2002 (Unaudited) | Three Months Ended March 31, 2001 (Unaudited) | Nine Months Ended March 31, 2002 (Unaudited) | Nine Months Ended March 31, 2001 (Unaudited) | Period from June 26, 2000 (Inception) to March 31, 2002 (Unaudited) |
|--|---|--|--|--|--|
| REVENUES | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPENSES | | | | | |
| Consulting services provided by directors | - | - | - | - | 498,523 |
| Legal and accounting | 1,823 | 3,262 | 8,804 | 27,639 | 40,462 |
| Mining exploration expense | 1,543 | - | 1,543 | 1,218 | 6,018 |
| General and administrative | 4,858 | 633 | 13,127 | 733 | 19,178 |
| Transfer fees | - | - | (152) | - | 2,873 |
| Investor relations | - | - | - | - | 5,057 |
| Board of directors' expense | - | - | - | - | 3,939 |
| Travel | 396 | - | 2,349 | - | 2,349 |
| Rent | 1,614 | 385 | 5,062 | 385 | 6,900 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL EXPENSES | 10,234 | 4,280 | 30,733 | 29,975 | 585,299 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

| | | | | | |
|---|-------------|------------|-------------|-------------|--------------|
| LOSS FROM OPERATIONS | (10,234) | (4,280) | (30,733) | (29,975) | (585,299) |
| OTHER INCOME (EXPENSE): | | | | | |
| Miscellaneous | - | 9 | - | 9 | 9 |
| TOTAL OTHER INCOME | - | 9 | - | 9 | 9 |
| LOSS BEFORE INCOME TAXES | (10,234) | (4,271) | (30,733) | (29,966) | (585,290) |
| INCOME TAXES | - | - | - | - | - |
| NET LOSS | \$ (10,234) | \$ (4,271) | \$ (30,733) | \$ (29,966) | \$ (585,290) |
| NET LOSS PER COMMON SHARE, BASIC AND DILUTED | \$ nil | \$ nil | \$ (0.01) | \$ nil | \$ (0.10) |
| WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED | 6,031,199 | 5,114,578 | 6,031,199 | 5,000,000 | 5,632,862 |

See notes to interim financial statements

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ABBOTT MINES LIMITED
(an Exploration Stage Enterprise)
STATEMENT OF STOCKHOLDERS' EQUITY

| Common Stock | | Additional Paid-in Capital | Deficit Accumulated During the Exploration Stage | Stock Subscriptions Receivable | Total Stockholders' Equity |
|---------------------|--------|----------------------------------|--|--------------------------------------|----------------------------------|
| Number of Shares | Amount | | | | |
| | | | | | |

Issuance of
common stock

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| | | | | | | | | | |
|---|-----------|----|------------|----|-----------|----|-----------|----|-----------|
| for services and in payment of advances at approximately \$0.055 per share | 5,000,000 | \$ | 50 499,950 | \$ | - | \$ | (798) | \$ | 499,202 |
| Net loss for period ending, June 30, 2000 | - | | - | | - | | (498,923) | | - |
| | | | | | | | | | (498,923) |
| Balance, June 30, 2000, restated | 5,000,000 | | 50 499,950 | | (498,923) | | (798) | | 279 |
| Payment of subscriptions receivable | - | | - | | - | | 798 | | 798 |
| Sale of common stock for cash at \$0.10 per share | 1,031,199 | | 10 103,110 | | - | | - | | 103,120 |
| Net loss for the year ended June 30, 2001 | - | | - | | - | | (55,634) | | - |
| | | | | | | | | | (55,634) |
| Balance, June 30, 2001 | 6,031,199 | | 60 603,060 | | (554,557) | | - | | 48,563 |
| Net loss for the nine months ended March 31, 2002 (unaudited) | - | | - | | - | | (30,733) | | - |
| | | | | | | | | | (30,733) |
| Balance, March 31, 2002 (unaudited) | 6,031,199 | \$ | 60 603,060 | \$ | (585,290) | \$ | - | \$ | 17,830 |

See notes to interim financial statements

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ABBOTT MINES LIMITED
(An Exploration Stage Enterprise)
STATEMENT OF CASH FLOWS

| | Nine Months Ended March 31, 2002 (Unaudited) | Nine Months Ended March 31, 2001 (Unaudited) | Period from June 26, 2000 (Inception) to March 31, 2002 (Unaudited) |
|--|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net loss | \$ (30,733) | \$ (29,966) | \$ (585,290) |
| Increase in related party payables | 1,272 | 12,852 | 1,272 |
| Increase in prepaid expenses | - | 679 | - |
| Increase in mining claims | - | (135) | (135) |
| Increase (decrease) in accounts payable | (2,772) | 15,838 | - |
| Payment of expenses from issuance of stock | - | - | 499,729 |
| Net cash provided (used) in operating activities | <u>(32,233)</u> | <u>(721)</u> | <u>(84,424)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Issuance of common stock | - | - | 103,120 |
| Stock subscriptions (sold) paid | - | 798 | - |
| Proceeds from advances | - | - | 271 |
| Net cash provided (used) by financing activities | <u>-</u> | <u>798</u> | <u>103,391</u> |
| Change in cash | (32,233) | 77 | 18,967 |
| Cash, beginning of period | <u>51,200</u> | <u>-</u> | <u>-</u> |
| Cash, end of period | <u>\$ 18,967</u> ===== | <u>\$ 77</u> ===== | <u>\$ 18,967</u> ===== |

SUPPLEMENTAL CASH FLOW
DISCLOSURES:

| | | | | | | |
|-------------------|-------|---|-------|---|-------|---|
| Interest paid | \$ | - | \$ | - | \$ | - |
| | ===== | | ===== | | ===== | |
| Income taxes paid | \$ | - | \$ | - | \$ | - |
| | ===== | | ===== | | ===== | |

NON-CASH TRANSACTIONS:

| | | | | | | |
|--|----|---|----|---|----|---------|
| Stock issued in payment of consulting and other expenses | \$ | - | \$ | - | \$ | 499,729 |
| Stock issued in payment of advances | \$ | - | \$ | - | \$ | 136 |
| Stock issued in payment of mining claims | \$ | - | \$ | - | \$ | 135 |

See notes to interim financial statements

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ABBOTT MINES LIMITED
(An Exploration Stage Enterprise)
March 31, 2002

NOTES TO INTERIM FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The foregoing unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Regulation S-B as promulgated by the Securities and Exchange Commission. Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles for complete financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements for the period ended June 30, 2001. In the opinion of management, the unaudited interim financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented.

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions that could have a material effect on the reported amounts of the Company's financial position and results of operations.

Operating results for the nine-month period ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ending June 30, 2002.

PART II.

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

Financial Condition, Liquidity and Capital Resources

Since inception on June 26, 2000, our Company has been engaged in exploration and acquisition of mineral properties. Our Company's principal capital resources have been acquired through issuance of common stock and from shareholder loans.

At March 31, 2002, we had positive working capital of \$17,695 compared to \$48,428 at June 30, 2001. This change is primarily the result of increased activity of the Company resulting in expenses in all major categories.

At March 31, 2002, our Company's total assets of \$19,102 consisted of mainly cash, which compares with our Company's assets at June 30, 2001 of \$51,335, also mainly of cash.

At March 31, 2002, our Company's total liabilities were \$1,272 down from \$2,772 at June 30, 2001.

Our Company has not had revenues from inception. Although there is insufficient capital to fully explore and develop its mineral properties, our Company expects to survive and exploit its resources primarily with funding from sales of its securities and, as necessary, from shareholder loans.

Our Company has no long-term debt and does not regard long-term borrowing as a good, prospective source of financing.

Results of Operations

Our Company posted a loss of \$30,733 for the nine months ending March 31, 2002. The principal components of the loss were travel, rent, professional expenses, and general office and administrative expenses.

Operating expenses for the nine months ending March 31, 2002 were \$30,733 up from \$29,975 in the same period of the prior year as a rise in general and administrative expenses, travel and rent more than offset a decline in legal and accounting expenses.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 29th day of April 2002.

ABBOTT MINES LIMITED
(Registrant)

BY: /s/ Mike Muzylowaki

Mike Muzylowski, President, Treasurer,
Chief Financial Officer and a Member of
the Board of Directors.