

Edgar Filing: SUN RIVER MINING INC - Form 10QSB

SUN RIVER MINING INC
Form 10QSB
January 16, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10QSB

Quarterly Report under Section 13 or 15(d) of
the Securities Exchange Act of 1934

CIK NO.: 0001039466

For Quarter Ended
December 31, 2002

Commission File Number
000-29621

SUN RIVER MINING, INC.

(Name of Small Business Issuer in its charter)

COLORADO

State or other jurisdiction of
incorporation or organization

84-1384159

IRS Employer ID Number

7609 Ralston Road

(Address of principal executive offices)

80002

(Zip Code)

Issuer's telephone number: (303) 422-8127

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 the filing requirements for at least the past 90 days.

Yes X No
 ----- -----

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

15,362,970 as of December 31, 2002

SUN RIVER MINING, INC.

(A DEVELOPMENT STAGE COMPANY)
FINANCIAL STATEMENTS

December 31, 2002
(UNAUDITED)

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MICHAEL JOHNSON & CO., LLC
Certified Public Accountants
9175 East Kenyon Ave., Suite 100
Denver, Colorado 80237

Michael B. Johnson C.P.A.
Member: A.I.C.P.A.
Colorado Society of C.P.A.s

Telephone: (303) 796-0099
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ACCOUNTANTS REVIEW REPORT

Board of Directors
Sun River Mining, Inc.
Lakewood, CO

We have reviewed the accompanying balance sheet for Sun River Mining, Inc. (a development stage company) for December 31, 2002 and the related statements of operations for the three months ended December 31, 2002 and 2001 and for the period from February 25, 1997 (inception) to December 31, 2002, and cash flows for the three months ended December 31, 2002 and 2001 and for the period from February 25, 1997 (inception) to December 31, 2002, included in the accompanying Securities and Exchange Commission 10-QSB for the period ended December 31, 2002. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are unaware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the balance sheet as of September 30, 2002, and the related statements of operations, stockholders' equity (deficit) and cash flows for the year then ended (not presented herein.) In our report dated January 6, 2003, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of December 31, 2002, is fairly stated in all material respects in relation to the balance sheet from which it has been derived.

Michael Johnson & Co., LLC
Denver, CO

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January 7, 2003
/s/ Michael Johnson & Co., LLC

SUN RIVER MINING, INC.
A Development Stage company)
Consolidated Balance Sheets
(Unaudited)

| | December 31, 2002 |
|---|----------------------|
| ASSETS: | |
| Current assets: | |
| Cash | \$ - |
| | ----- |
| Total current assets | - |
| | ----- |
| TOTAL ASSETS | \$ - |
| | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | |
| Current Liabilities: | |
| Accounts Payable | \$ 200,875 |
| Accrued Expenses | 18,858 |
| Notes Payable | 195,729 |
| | ----- |
| Total Current Liabilities | 415,462 |
| | ----- |
| Stockholders' Equity: | |
| Preferred Stock, par value \$0.01 per share; 50,000,000 shares authorized; no shares issued and outstanding | - |
| Common Stock, no par value; 500,000,000 shares authorized; 15,362,970 shares issued and outstanding at December 31, 2002 and 2001 | 2,259,306 |
| Deficit accumulated during the exploratory stage | (2,674,768) |
| | ----- |
| Total Stockholders' Deficit | (415,462) |
| | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ - |
| | ===== |

See Accountant's Review Report

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SUN RIVER MINING, INC.
(A Development Stage Company)
Consolidated Statements of Operations
(Unaudited)

| | Three-Months Ended December 31, | | Feb. |
|---|------------------------------------|------------|---------------------|
| | 2002 | 2001 | (Inc D 2 — |
| | ---- | ---- | |
| Revenue | \$ - | \$ - | |
| Expenses: | | | |
| Bank Charges | - | - | |
| Consulting | - | - | 87 |
| Depreciation | - | - | |
| Directors' Fees | - | - | 1 |
| Due Diligence | - | - | 4 |
| Equipment Rental | - | - | |
| Impairment loss | - | - | 92 |
| Legal & Accounting | 884 | 2,000 | 7 |
| Licenses & Fees | - | - | |
| Meals & Entertainment | - | - | |
| Office Expenses | - | - | 1 |
| Officer's Salaries | - | - | 38 |
| Postage & Shipping | - | - | |
| Printing | - | - | |
| Public Relations | - | - | 10 |
| Rent | - | - | |
| Taxes | - | - | |
| Telephone | - | - | 3 |
| Transfer Agent Expense | 375 | 545 | |
| Travel | - | - | 5 |
| | ----- | ----- | ----- |
| Total Operating Expenses | 1,259 | 2,545 | 2,57 |
| Other Income (Expense) | | | |
| Interest Expense | - | - | 3 |
| Forgiveness of Debt | - | - | (4 |
| | ----- | ----- | ----- |
| Net (Loss) | \$ (1,259) | \$ (2,545) | \$ (2,56 |
| | ----- | ----- | ----- |
| Per Share Information: | | | |
| Weighted average number of common shares outstanding | 15,362,970 | 15,362,970 | |
| | ----- | ----- | |
| Net Loss per Common Share | * | * | |
| * Less than \$.01 | | | |

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SUN RIVER MINING, INC.
(A Development Stage Company)
Consolidated Statement of Stockholders' Equity (Deficit)
December 31, 2002
(Unaudited)

| | Common Stock # of Shares ----- | Amount ----- |
|--|--------------------------------------|-----------------|
| Inception - February 25, 1997 | - | \$ - |
| Issuance of stock for cash 3/15/97 | 100,000 | 100 |
| Issuance of stock for cash 3/31/97 | 111,800 | 111,800 |
| Issuance of stock to Founders 3/31/97 | 282,200 | - |
| Issuance of stock for Consolidation 4/3/97 | 8,900,000 | 312,106 |
| Issuance of stock for cash 8/15/97 | 58,000 | 58,000 |
| Issuance of stock for cash 9/30/97 | 47,800 | 47,800 |
| Net Loss for Year | - | - |
| | ----- | ----- |
| Balance - September 30, 1997 | 9,499,800 | 529,806 |
| | ----- | ----- |
| Issuance of stock for services 11/30/97 | 30,000 | 30,000 |
| Issuance of stock for cash 9/15/98 | 1,000,000 | 200,000 |
| Consolidation stock cancelled 9/15/98 | (1,200,000) | (50,000) |
| Issuance of stock for cash 9/30/98 | 4,000 | 4,000 |
| Net Loss for year | - | - |
| | ----- | ----- |
| Balance - September 30, 1998 | 9,333,800 | 713,806 |
| | ----- | ----- |
| Issuance of stock for cash 10/9/98 | 424,670 | 159,367 |
| Issuance of stock for services 1/7/99 | 800,000 | 40,000 |
| Issuance of stock for cash 1/15/99 | 750,000 | 296,125 |
| Issuance of stock for services 1/21/99 | 500,000 | 276,500 |
| Issuance of stock for cash 2/2/99 | 150,000 | 70,313 |
| Issuance of stock for cash 4/6/99 | 904,500 | 122,108 |
| Issuance of stock for salaries 6/30/99 | 1,400,000 | 147,000 |
| Issuance of stock for cash 9/30/99 | 800,000 | 69,200 |
| Net Loss for year | - | - |
| | ----- | ----- |
| Balance - September 30, 1999 | 15,062,970 | 1,894,419 |
| | ----- | ----- |
| Issuance of stock for cash 9/15/00 | 300,000 | 27,000 |
| Net Loss for year | - | - |
| | ----- | ----- |
| Balance - September 30, 2000 | 15,362,970 | 1,921,419 |
| | ----- | ----- |
| Extinguishment of debt | - | 337,887 |
| Net Loss for year | - | - |
| | ----- | ----- |

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| | | |
|------------------------------|------------|-------------|
| Balance - September 30, 2001 | 15,362,970 | 2,259,306 |
| | ----- | ----- |
| Net Loss for year | - | - |
| | ----- | ----- |
| Balance - September 30, 2002 | 15,362,970 | 2,259,306 |
| | ----- | ----- |
| Net Loss for period | - | - |
| | ----- | ----- |
| Balance - December 31, 2002 | 15,362,970 | \$2,259,306 |
| | ===== | ===== |

See Accountant's Review Report

SUN RIVER MINING, INC.
(A Development Stage Company)
Consolidated Statement of Cash Flows
(Unaudited)

| | Three-Months End December 31, 2002 ---- | |
|---|--|-------|
| Cash Flows from Operating Activities: | | |
| Net Loss | \$ (1,259) | \$ (|
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Depreciation | - | |
| Issuance of Common Stock for Services | - | |
| Increase (Decrease) in Accounts Payable | 1,259 | |
| Increase (Decrease) in Accrued Liabilities | - | |
| | ----- | ----- |
| Net Cash Flows Used for Operating Activities | - | (|
| | ----- | ----- |
| Cash Flows from Financing Activities: | | |
| Proceeds from Notes Payable | - | |
| Issuance of Common Stock | - | |
| | ----- | ----- |
| Net Cash Flows Provided by Financing Activities | - | |
| | ----- | ----- |
| Net Increase (Decrease) in Cash | - | |
| | ----- | ----- |
| Cash and cash equivalents - Beginning of period | - | |
| | ----- | ----- |
| Cash and cash equivalents - End of period | \$ - | |
| | ===== | ===== |
| Supplemental Disclosure of Cash Flow Information | | |
| Cash Paid During the Year for: | | |
| Interest | \$ - | |
| | ===== | ===== |
| Income Taxes | \$ - | |

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NON-CASH TRANSACTIONS

Common stock issued in exchange for services

=====
\$ -
=====

See Accountant's Review Report

SUN RIVER MINING, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2002
(Unaudited)

Note 1 - Presentation of Interim Information:

In the opinion of the management of Sun River Mining, Inc., the accompanying unaudited financial statements include all normal adjustments considered necessary to present fairly the financial position as of December 31, 2002 and the results of operations for the three-months ended December 31, 2002 and 2001 and period from February 25, 1997 (inception) to December 31, 2002, and cash flows for the three-months ended December 31, 2002 and 2001 and period from February 25, 1997 (inception) to December 31, 2002. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-QSB, and do not contain certain information included in the Company's audited financial statements and notes for the fiscal year ended September 30, 2002.

Note 2 - Going Concern:

The Company's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company is in the development stage and has not earned any revenue from operations. The Company's ability to continue as a going concern is dependent upon its ability to develop additional sources of capital or locate a merger candidate and ultimately, achieve profitable operations. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties. Management is seeking new capital to revitalize the Company.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2002
COMPARED TO THE SAME PERIOD IN 2001.

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The Company had no revenues in the period in 2002 or 2001. The Company incurred operating expenses for the three month period of \$1,259 in 2002 compared to \$2,545 in the same period in 2001. The Company recorded a net operating loss of \$(1,259) for the 2002 period as compared to \$(2,545) (including interest accrual) for the same period in 2001.

The Company losses will continue until business and profitable operations are achieved. While the Company is seeking capital sources for investment, there is no assurance that capital sources can be found. The loss per share for the 2002 fiscal quarter was less than (\$0.01) compared to less than (\$0.01) in the same fiscal quarter of 2001.

LIQUIDITY AND CAPITAL RESOURCES

The Company remains in the development stage and, since inception, has experienced significant liquidity problems and has no significant capital resources now and has stockholder's deficit of (\$415,462) at December 31, 2002. The Company has no current assets and no other assets at December 31, 2002.

The Company is unable to carry out any plan of business without funding. The Company cannot predict to what extent its current lack of liquidity and capital resources will impair the consummation of a business combination or whether it will incur further operating losses through any business entity which the Company may eventually acquire. There is no assurance that the Company can continue as a going concern without substantial funding, for which there is no source.

The Company estimates it will require \$25,000 to \$30,000 to cover legal, accounting, transfer and miscellaneous costs of being a reporting company in the next fiscal year. The Company will have a cash shortfall for current annual costs of at least \$25,000 to \$30,000, for which it has no source except shareholder loans or contributions, none of which have been committed.

The Company has no cash for any operations. It will have to make private placements of stock, for which it has no sources, or obtain loans from shareholders, to have any cash for even limited operations. There are no committed loan sources at this time. The Company has current liabilities of \$415,462 which exceed total assets by approximately \$415,462.

Evaluation of Internal and Disclosure Controls

The management of the company has evaluated the effectiveness of the issuer's disclosure controls and procedures as of a date within 90 days prior to the filing date of the report (evaluation date) and have concluded that the disclosure controls and procedures are adequate and effective based upon their evaluation as of the evaluation date.

There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of the most recent evaluation of such, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings - None.

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- Item 2. Changes in securities - None.
- Item 3. Defaults upon senior securities - None.
- Item 4. Submission of matters to a vote of security holders - None.
- Item 5. Other information:
- In extinguishment of \$112,390 in salary claims, Steven Davis agreed to accept S-8 stock for a value of \$22,478 in the Settlement Agreement.

- Item 6. Exhibits and reports on Form 8-K

(a) The following are filed as Exhibits to this Quarterly Report. The numbers refer to the Exhibit Table of Item 601 of Regulation S-K:

None.

(b) Reports on Form 8-K filed during the three months ended December 31, 2002. (incorporated by reference)

None.

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 of the undersigned thereunto duly authorized.

Dated: January 14, 2002

SUN RIVER MINING, INC.

By: /s/Stephen W. Weathers
Stephen W. Weathers, Secretary