

NAPTAU GOLD CORP
Form 10QSB
August 16, 2004

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2004

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 0-2660

NAPTAU GOLD CORPORATION

(Exact name of small business issuer as specified in its charter)

Delaware

22-3386947

(State or other jurisdiction of

(IRS Employer

incorporation or organization)

Identification No.)

103 E. Holly St. Suite 303

Bellingham, WA 98226

(Address of principal executive offices)

(604) 277-5252

(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 56,060,560 shares of Common Stock, \$.001 par value, were outstanding, as of August 12, 2004.

Transitional Small Business Disclosure Format (check one): Yes No

Form 10-QSB

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"Safe Harbor" Statement

Cautionary Statement for purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995. With the exception of historical matters, the matters discussed in this report are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from projections or estimates contained herein. Such forward-looking statements include statements regarding status of discussions with third parties, the ability of the Company to advance discussions to the next level of negotiation, the ability of the Company to advance to formal agreement with third parties, planned levels of development, exploration and other expenditures, anticipated production and schedules for development. Factors that could cause actual results to differ materially include, among others, decisions and activities related to future agreements, unanticipated delays or other problems, conclusion of feasibility studies, changes in project parameters or plans, the timing and receipt of governmental approvals, the failure of parties or processes to operate in accordance with specifications or expectations, delays in closings or start-up dates, environmental costs and risks, as well as other factors described elsewhere in this Form 10-QSB. Most of these factors are beyond the Registrant's ability to predict or control. The Registrant disclaims any obligation to update any forward-looking statement made herein.

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PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

NAPTAU GOLD CORPORATION

Balance Sheets

(expressed in United States dollars)

June 30, 2004 June 30, 2003

Assets

Current assets

Cash	\$	67	\$	75
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Prepaid expense

3,525

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\$	3,592	\$	75
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Liabilities and Shareholders' Equity

Current liabilities:

Accounts payable and accrued liabilities	\$	582,175	\$	746,468
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Loans payable	2,894	188,089
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Loans payable to related parties	7,858	77,992
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\$	592,927	\$	1,012,549
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Shareholders' equity

Capital stock

Authorized:

5,000,000 preferred shares with a par

value of \$0.001 per share

500,000,000 common shares with a par

value of \$0.001 per share

Issued and outstanding:

56,060,560 common shares	56,058	6,134
Additional paid-in capital	2,117,534	1,582,105
Deficit	(2,762,927)	(2,600,713)
	-----	-----
	\$(589,335)	\$(1,012,474)
	-----	-----
	\$ 3,592	\$ 75
	=====	=====

See accompanying notes to financial statements.

NAPTAU GOLD CORPORATION

Statements of Operations and Deficit

(expressed in United States dollars)

Six Months Ended

Three months Ended

Jun 30, 2004

Jun 30, 2003

Jun 30, 2004

Jun 30, 2003

Expenses:

Interest and financing

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18,852

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4,924

Management salary

49,500

45,000

24,750

22,500

Professional fees

3,890

2,061

2,802

896

Office and administrative

2,332

4,099

1,123

2,564

Incentive stock issue

39,000

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39,000

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Expense recoveries

(--)

(14,071)

(--)

(14,071)

Loss for the period

(94,722)

(55,941)

(67,675)

(16,813)

Deficit, beginning of period

(2,668,205)

(2,544,772)

(2,695,252)

(2,583,900)

Deficit, end of period

(2,762,927)

(2,600,713)

(2,762,927)

(2,600,713)

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Loss per share

\$ (0.002)

(0.009)

(0.001)

(0.003)

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See accompanying notes to financial statements.

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NAPTAU GOLD CORPORATION

Statements of Cash Flows

(expressed in United States dollars)

Six Months Ended

Three Months Ended

Jun 30, 2004

Jun 30, 2003

Jun 30, 2004

Jun 30, 2003

Cash generated from (used in):

Operations:

Loss for the period

\$

(94,722)

(55,941)

(67,675)

(16,813)

Add items not involving cash:

Stock grant program expenses

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Changes in non-cash

operating working capital:

Accounts payable and

accrued liabilities

(226,010)

53,058

(248,510)

23,396

(320,732)

(2,883)

(316,185)

6,583

Financing:

Contracts payable

(235,639)

(4,224

(238,898)

(9,174)

Loans payable to

related parties

(28,947)

7,087

(30,258)

2,568

Capital stock issues

585,353

585,353

320,767

2,860

316,197

(6,579)

Increase in cash

35

(23)

12

4

Cash, beginning of period

32

98

55

71

Cash, end of period

67

75

67

75

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See accompanying notes to financial statements.

NAPTAU GOLD CORPORATION

Notes to Financial Statements

June 30, 2004

1. The Company and basis of presentation:

Naptau Gold Corporation (the "Company") was formed under the laws of the State of Delaware on January 8, 1988 and was inactive until 1995 when it entered into an agreement to acquire certain mineral properties. The operation of the mineral properties was unsuccessful and as at December 31, 1999 the Company entered into a rescission and release agreement whereby all assets previously acquired, including staked placer leases and related production equipment located on the properties, were conveyed back in consideration for the release from all related debts and obligations. The Company agreed to transfer all exploration account balances for Canadian tax purposes relating to the operation of the mineral properties. At present the Company holds no interest in any mineral properties.

The Company's principal business activity was the exploration and development of mineral properties and is presently engaged in researching, independently or jointly, opportunities in these and related areas.

The financial statements presented herein as of June 30, 2004 and for the six month periods ending June 30, 2004 and 2003 are unaudited and, in the opinion of management, include all adjustments (consisting only of normal and recurring adjustments) necessary for a fair presentation of financial position and results of operations. Such financial statements do not include all of the information and footnote disclosures normally included in audited financial statements prepared in accordance with generally accepted accounting principles.

Results of operations for the six-month period ended June 30, 2004 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2004. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's 2003 Annual Report on Form 10-KSB.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern. At June 30, 2004, the Company had a working capital deficiency of approximately \$589,000, a significant portion of which is due to related parties. Under the approved Re-organization Plan \$455,000 of this amount has been approved for settlement through the issue of an additional 9,500,000 S-8 common shares. Form S-8 for 9,000,000 of this amount was filed (Exhibit S-8). It is the intention of the Company to file for the additional issue of the 500,000 when required. The Company's continuing operations and the ability of the Company to discharge its liabilities are dependent upon the continued financial support of its related parties and the ability of the Company to obtain the necessary financing to meet its liabilities as they come due.

Item 2. Plan of Operation

With the re-organization of the Company we are expanding our areas of interest. In addition to examining new opportunities in the acquisition and development of projects related to the base metal sectors of the mining industry, Naptau's management continues to pursue potential opportunities in the hospitality, real estate and hotel sectors of the economy. We are in the process of identifying and isolating companies with cash flow streams to which we can add value, bridge short term problems, and accumulate equity positions to the benefit of our shareholders.

To date the management has provided the funds required to meet current costs therefore Naptau has not incurred new debt other than that due to shareholders, Officers and/or Directors and the accruals to existing debtors.

Item 3. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

Within the 90 days prior to the date of this Report, we carried out an evaluation, under the supervision and with the participation of our management, including the Company's Chief Executive and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-14 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Company's Chief Executive and Chief Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic filings with the U.S. Securities and Exchange Commission.

(b) Changes in Internal Controls.

There were no significant changes in our internal controls or in other factors that could significantly affect these internal controls subsequent to the date of our most recent evaluation.

PART II OTHER INFORMATION

Item 2. Changes in Securities

On April 26, 2004, pursuant to the approved Re-Organization dated August 2004, the Company issued and forwarded to the Trustee on behalf of the recipients, per the conditions of the Re-Organization Plan, the following common shares:

Non-registered:

5,927,060 shares in settlement of \$296,353 of debt;

39,000,000 shares as inducement to the President to enter a five year employment and management contract with the Company;

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Registered pursuant to a Registration Statement on Form S-8:

5,000,000 shares, out of a total of 14,000,000 designated in the Form S-8, in settlement of \$250,000 out of a total of \$705,000 in accrued outstanding compensation. It is the intention of the Company to release the balance of the shares from time to time as requested by the designated recipient.

Item 3. Defaults upon Senior Securities

Subsequent to June 30, 2003 the Company was in default of principal and accrued interest on Contracts Payable of \$141,139 due June 30, 2003. The debt related to this default was settled by the issue of common shares referred to in Item 2 above.

Item 4. Submission of Matters to a Vote of Security Holders

None during this reporting period.

Item 5. Other Information

Mr. Renyk will continue to carry out the duties as Secretary/Treasurer while negotiations with him are finalized and confirmed by the Board of Directors.

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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.

NAPTAU GOLD CORPORATION

/s/ J. Greig

Dated: August 13, 2004

By: Dr. J. Greig, Ph.D.

President and

Principal Executive Officer

/s/ Edward D. Renyk

Dated: August 13, 2004

By: Edward D. Renyk, CA

Secretary and

Principal Accounting Officer

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Item 6. Exhibits and Reports on Form 8-K

a)

Exhibits: The following Exhibits are furnished as part of this report.

* S-8

31 & 32 - Certification

b)

During the quarter for which this report is filed the Company did not file any reports on Form 8-K

*** Incorporated by reference to Company s Form S-8 filed 2004-04-20 Number 0001137171-04-00481**

EXHIBIT 31.1

CERTIFICATIONS

I, J. Greig, certify that:

- 1. I have reviewed this quarterly report on Form 10-QSB of Naptau Gold Corporation;**
- 2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;**
- 3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;**
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:**
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;**
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and**
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;**
- 5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the**

equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 13, 2004

By:

/s/ J. Greig

Dr. J. Greig

Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Edward D. Renyk, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Naptau Gold Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which

such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 13, 2004

By:

/s/ Edward RENYK

Edward Renyk

Chief Accounting Officer (Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Naptau Gold Corporation (the Company) on Form 10-QSB for the quarterly period ending March 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the Report), we, J. Greig, Chief Executive Officer and Edward D. Renyk, Chief Financial Officer of the Company, certify, to the best of our knowledge, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company for the period covered by the Report.

Date: August 13, 2004

By:

/s/ J. Greig

J. Greig

Chief Executive Officer

(Principal Executive Officer)

By: /s/ Edward D. Renyk

Edward D. Renyk

Chief Accounting Officer

(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Naptau Gold Corporation and will be retained by Naptau Gold Corporation and furnished to the Securities and Exchange Commission or its staff upon request.