

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

GOLDSTRIKE INC
Form 10QSB
August 24, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended June 30, 2005.

[] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period _____ to _____

Commission File Number 333-111656

GOLDSTRIKE INC.

(Exact name of small Business Issuer as specified in its charter)

Nevada

Applied For

(State or other jurisdiction of

incorporation or organization)

(IRS Employer Identification No.)

1055 West Hastings Street, Suite 1980
Vancouver, British Columbia, Canada

(Address of principal executive offices)

V6E 2E9

(Postal or Zip Code)

Issuer's telephone number, including area code: 604-688-8002

None

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

Check whether the issuer (1) 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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days [X] Yes [] No

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 3,300,000 Shares of \$0.001 par value Common Stock outstanding as of August 24, 2005.

GOLDSTRIKE INC.
 (A Nevada Corporation)
 (An Exploration Stage Company)
 Balance Sheets
 (In U.S. Dollars)

ASSETS	June 30, 2005	December 31, 2004
	(Unaudited)	(Audited)
Current Assets		
Cash	\$ 1,043	\$ 7,300
TOTAL CURRENT ASSETS	\$ 1,043	\$ 7,300
=====		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 6,335	\$ 6,335
Loan from related party (Note 7)	10,000	10,000
TOTAL CURRENT LIABILITIES	16,335	16,335
=====		
Stockholders' Equity		
Capital Stock		
Authorized:		
75,000,000 common shares at \$0.001 par value		
Issued and fully paid		
3,300,000 common shares		
par value	3,300	3,300
additional paid-in capital	28,250	28,250
	31,550	31,550
Deficit, accumulated during the exploration stage	(46,842)	(24,750)
TOTAL STOCKHOLDERS' EQUITY	(15,292)	6,750
=====		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,043	\$ 7,300
=====		

Going Concern: Note 1

Approved on Behalf of the Board:

"Ken Cai" , President and Chief Executive Officer and Director

"Jeff Yenyong Zheng" , Secretary and Treasurer and Chief Financial
 Officer and Director

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

The Accompanying Notes are an Integral Part of These Financial Statements

GOLDSTRIKE INC.
 (A Nevada Corporation)
 (An Exploration Stage Company)
 Statements of Operations
 (In U.S. Dollars)
 (Unaudited)

	From Date of Inception On June 9, 2003 to June 30,		Six Months Ended June 30,	
	2005	2005	2004	
Mineral Property Expenses	\$ 8,754	\$ -	\$ -	\$ -
<hr/>				
General and Administration Expenses				
Audit fees	8,061	5,675		600
Bank charges	1,556	82		652
Consulting fees	428	428		-
Incorporation costs	751	-		-
Legal fees	11,406	4,167		-
Office costs	1,346	-		626
Transfer agent and filing fees	13,844	11,548		1,083
Loss on foreign exchange	696	161		515
	38,088	22,061		3,476
<hr/>				
Total Expenses	46,842	22,061		3,476
<hr/>				
Net Loss for the Period	\$ 46,842	\$ 22,061		\$ 3,476
<hr/>				
Loss per Share				
Basic and Diluted		\$ (0.01)		\$ (0.00)
<hr/>				
Weighted Average Number of Common Shares Outstanding				
Basic and Diluted		3,300,000		3,300,000
<hr/>				

The Accompanying Notes are an Integral Part of These Financial Statements

GOLDSTRIKE INC.

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

(A Nevada Corporation)
 (An Exploration Stage Company)
 Statement of Retained Earnings (Deficit)
 (In U.S. Dollars)
 (Unaudited)

	From Date of Inception On June 9, 2003 to June 30,		Six Months Ended June 30,
	2005	2005	2004
Retained Earnings (Deficit) beginning of period	\$ -	\$ (24,781)	\$ (19,380)
Net Loss for the Period	(46,842)	(22,061)	(3,476)
Retained Earnings (Deficit) end of period	\$ (46,842)	\$ (46,842)	\$ (22,856)

The Accompanying Notes are an Integral Part of These Financial Statements

GOLDSTRIKE INC.
 (A Nevada Corporation)
 (An Exploration Stage Company)
 Statement of Cash Flows
 (In U.S. Dollars)
 (Unaudited)

	From Date of Inception On June 9, 2003 to June 30,		Six Months Ended June 30,
	2005	2005	2004
Cash Provided by (Used for) Operating Activities			
Net loss for the period	\$ (46,842)	\$ (22,061)	\$ (3,476)
Item not requiring use of cash			
Shares issued for mineral property expenses	50	-	-
Changes in non-cash working capital items			

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

Share subscription receivable	-	-	626
Account receivable	-	-	(5,000)
Accounts payable & accrued liabilities	6,335	5,705	(7,389)

Net Cash Provided by (Used for)			
Operating Activities	(40,457)	(16,356)	(15,239)

Investing Activities	-	-	-

Financing Activities			
Capital stock subscribed for cash	31,500	-	-
Loan from related party	10,000	10,000	(500)

Net Cash Provided by (Used for)			
Financing Activities	41,500	10,000	(500)

Cash increase (decrease)			
During the Period	1,043	(6,356)	(15,739)

Cash, Beginning of Period	-	7,399	20,033

Cash, End of Period	\$ 1,043	\$ 1,043	\$ 4,294
=====			

The Accompanying Notes are an Integral Part of These Financial Statements

GOLDSTRIKE INC.
(A Nevada Corporation)
(An Exploration Stage Company)
Statement of Stockholders' Equity
For the Period From Date of Inception on June 9, 2003 to June 30, 2005
(In U.S. Dollars)
(Unaudited)

	Price Per Share	Number of Common Shares	par Value	Additional Paid-in Capital	Total Capital Stock

6/30/2003	Issued for mineral properties	50,000	\$ 50		\$ 50
8/8/2003	Issued for cash	3,000,000	3,000	21,000	24,000
9/30/2003	Issued for cash	250,000	250	7,250	7,500
Net loss for the period from date of inception to December 31, 2003					

Balance, December 31, 2003		3,300,000	3,300	28,250	31,550

Net loss for the year ended December 31, 2004					

Balance, December 31, 2004		3,300,000	3,300	28,250	31,550

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

Net loss for the six month period ended
June 30, 2005

Balance, June 30, 2005	3,300,000	\$3,300	\$ 28,250	\$31,550
------------------------	-----------	---------	-----------	----------

The Accompanying Notes are an Integral Part of These Financial Statements

GOLDSTRIKE INC.
(A Nevada Corporation)
(An Exploration Stage Company)
Notes to Financial Statements
June 30, 2005
(In U.S. Dollars)
(Unaudited)

Note 1. ORGANIZATION AND NATURE OF BUSINESS

Goldstrike Inc. ("the Company") was incorporated on June 9, 2003 under the Company Act of the State of Nevada, U.S.A. to pursue opportunities in the field of mineral exploration. June 9, 2003 is also the inception date of the Company.

Going Concern

These financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses since inception of \$46,842 to June 30, 2005 and has working capital deficit of \$15,292 as at June 30, 2005. These factors create doubt as to the ability of the Company to continue as a going concern. Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern. Management is in the process of identifying sources for additional financing to fund the ongoing development of the Company's business.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Accounting Principles Generally Accepted in the United States ("USGAAP").

Exploration stage company

Goldstrike is an exploration stage company as it does not have an established commercial deposit and is not in the production stage.

Use of estimates

The preparation of financial statements in conformity with USGAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

GOLDSTRIKE INC.
(A Nevada Corporation)
(An Exploration Stage Company)
Notes to Financial Statements
June 30, 2005
(In U.S. Dollars)
(Unaudited)

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash

Cash consists of cash on deposit with the Company's bankers.

Income Taxes

Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statement at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled as prescribed in FASB Statement No. 109, Accounting for Income Taxes. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

Compensated absences

Employees of the corporation are entitled to paid vacations, sick days and other time off depending on job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The corporation's policy is to recognize the costs of compensated absences when paid to employees.

Net profit per share

Goldstrike adopted Statement of Financial Accounting Standards No. 128 that requires the reporting of both basic and diluted earnings per share. Basic earnings per share is computed by dividing net income available to common shareowners by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. In accordance with FASB 128, any anti-dilutive effects on net loss per share are excluded.

GOLDSTRIKE INC.

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

(A Nevada Corporation)
(An Exploration Stage Company)
Notes to Financial Statements
June 30, 2005
(In U.S. Dollars)
(Unaudited)

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Disclosure about fair value of financial instruments

Goldstrike has financial instruments, none of which are held for trading purposes. Goldstrike estimates that the fair value of all financial instruments at March 31, 2005, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

Concentration of credit risk

Financial instruments that potentially subject Goldstrike to a significant concentration of credit risk consists primarily of cash which is not collateralized. Goldstrike limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

Long-lived assets

Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset in question may not be recoverable. This standard did not have a material effect on the Company's results of operations, cash flows or financial position in these financial statements.

Other Comprehensive Income

There is no other comprehensive income to June 30, 2005.

GOLDSTRIKE INC.
(A Nevada Corporation)
(An Exploration Stage Company)
Notes to Financial Statements
June 30, 2005
(In U.S. Dollars)
(Unaudited)

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

Foreign currency translation

The accounts of Goldstrike are translated into US Dollars on the following basis:

- o Monetary assets and liabilities are translated at the current rate of exchange.
- o The weighted average exchange rate for the period is used to translate revenue, expenses, and gains or losses from the functional currency to the reporting currency.
- o Gains or losses on remeasurement are recognized in current net income.
- o Gains or losses from foreign currency transactions are recognized in current net income.
- o Fixed assets are measured at historical exchange rates that existed at the time of the transaction.
- o Depreciation is measured at historical exchange rates that existed at the time the underlying related asset was acquired.
- o There are no cumulative currency translation adjustments to June 30, 2005.

Stock-based Compensation

SFAS No. 123, "Accounting for stock-based compensation" permits the use of either a "fair value based method" or the "intrinsic value method" defined in Accounting Principles Board Opinion 25, "Accounting for stock issued to employees" (APB 25) to account for stock-based compensation arrangements.

Companies that elect to use the method provided in APB25 are required to disclose pro forma net income and pro forma earnings per share information that would have resulted from the use of the fair value based methods. The Company has elected to continue to determine the value of stock-based compensation arrangements with employees under the provisions of APB 25. No pro forma disclosures have been included with the accompanying financial statements as there was no pro forma effect to the Company's net loss or net loss per share.

General and Administration Expenses

General and administration expenses are recorded on an accrual basis as incurred.

GOLDSTRIKE INC.
(A Nevada Corporation)
(An Exploration Stage Company)
Notes to Financial Statements
June 30, 2005
(In U.S. Dollars)
(Unaudited)

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Mineral property acquisition costs and deferred exploration expenditures

- a) Mineral property acquisition cost are capitalized in accordance

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

with FAS-141 subject, however to impairment pursuant to FAS-144. Exploration costs and mine development costs to be incurred, including those to be incurred in advance of commercial production and those incurred to expand capacity of proposed mines, are expensed as incurred while Goldstrike is in the exploration stage. Mine development costs to be incurred to maintain production will be expensed as incurred. Depletion and amortization expense related to capitalized mineral properties, exploration costs and mine development costs will be computed using the units-of-production method based on proved and probable reserves.

- b) FAS-141 states that the total carrying amount of mineral rights should be reported as a separate component of property, plant, and equipment on the face of the financial statements or in the notes to the financial statements. Impairment is defined in FAS-144 as the condition that exists when the carrying amount of a long-lived asset exceeds its fair value. An impairment loss is recognized only if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The Company reviews the carrying value of the mineral property for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors.
- c) Where properties are disposed of, the sales proceeds are, firstly, applied as a recovery of mineral property acquisition costs, and secondly, as a gain or loss recorded in current operations.

GOLDSTRIKE INC.
(A Nevada Corporation)
(An Exploration Stage Company)
Notes to Financial Statements
June 30, 2005
(In U.S. Dollars)
(Unaudited)

Note 3. MINERAL PROPERTIES

As at June 30, 2003, Goldstrike signed a Mineral Property Sale Agreement with Joseph Eugene Leopold Lindinger ("Eugene"), whereby Goldstrike acquired a 100% undivided interest in the BIZ Properties (BIZ1, BIZ2, BIZ6 and BIZ7, (Tenure Number 366276, 369518, 369719 and 370056), located in the Kamloops Mining Division, in the Province of British Columbia, Canada, and Goldstrike agrees to the following terms and conditions:

- a) Pay to Eugene \$3,584 and issue to Eugene 50,000 common shares (issued) at the price of \$0.001 per share for \$50 on execution of this agreement, for a total of \$3,634.

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

- b) Within the 120 day period after the effective date of June 30, 2003, pay \$2,514 to Eugene to complete an assessable exploration work program of sufficient value in order to maintain the property for at least one year past the current claim expiry date. Within 90 days past the current claim expiry date of November 1, 2003, pay an additional \$2,286 for the remainder of the completed work program and a completed assessment report.
- c) Pay all applicable claim maintenance recording fees as part of the property maintenance requirements.
- d) Expenses related to this property, including the abovementioned expenses, total \$8,754 from date of inception.

Note 4. INCOME TAXES

There is a loss of \$46,842 carried forward that may be applied towards future profits. The Company does not have any income tax liabilities during the current year and, accordingly, no income taxes are recorded. The potential income tax benefits associated with losses incurred by the Company have not been recorded in the accounts as future taxation as they are offset by valuation reserves due to uncertainty of utilization of tax losses.

The income tax effect of temporary differences comprising the deferred tax assets and deferred tax liabilities on the accompanying consolidated balance sheets is a result of the following:

	June 30	
	2005	2004
Deferred tax assets	\$ 15,926	\$ 7,771
Valuation allowance	\$ (15,926)	\$ (7,771)
Net deferred tax assets	\$ -	\$ -
	=====	=====

GOLDSTRIKE INC.
 (A Nevada Corporation)
 (An Exploration Stage Company)
 Notes to Financial Statements
 June 30, 2005
 (In U.S. Dollars)
 (Unaudited)

Note 4. INCOME TAXES (Cont'd)

A reconciliation between the statutory federal income tax rate and the effective income rate of income tax expense for the quarters ended June 30, 2005 and June 30, 2004 is as follows:

	2005	2004
Statutory federal income tax rate	\$ 15,926	\$ 7,771
Valuation allowance	\$ (15,926)	\$ (7,771)
Effective income tax rate	\$ -	\$ -
	=====	=====

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

Note 5. FINANCIAL INSTRUMENTS

Goldstrike's financial instruments consist of cash and accounts payable and accrued liabilities and loan from related party. It is management's opinion that Goldstrike is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial statements approximates their carrying values.

Note 6. PENSION AND EMPLOYMENT LIABILITIES

Goldstrike does not have liabilities as at June 30, 2005, for pension, post-employment benefits or post-retirement benefits. Goldstrike does not have a pension plan.

Note 7. RELATED PARTY TRANSACTIONS

During the current quarter ended June 30, 2005, a loan of \$10,000 was received from a related party. This loan bears no interest, is unsecured, and has no specific terms of repayment.

Forward-Looking Statements

This Form 10-QSB includes "forward-looking statements" within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

All statements other than historical facts included in this Form, including without limitation, statements under "Plan of Operation", regarding our financial position, business strategy, and plans and objectives of management for the future operations, are forward-looking statements.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, market conditions, competition and the ability to successfully complete financing.

Item 2. Plan of Operation

In July 2005, we retained P & L Geological Services ("P&L") of Lac Le Jeune, British Columbia, to conduct the recommended first phase of exploration on the Goldstrike property located approximately 29 kilometers south-southeast of Blue River in north central British Columbia.

Based on its review and sampling of the Goldstrike property, P&L advised us as follows:

1. work to date have indicated that surface rock exposures known as the Bizar showing contain narrow veins that contain anomalous gold values;
2. attempts to drill under the Bizar showing were unsuccessful at intersecting any significant mineralization;
3. other bedrock and float exposures on the property were previously investigated for their mineral potential. Bedrock and float sampling

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

indicates that low gold values are present within the host rocks. Drilling of two areas of anomalous bedrock and float geochemical features were unsuccessful at intersecting any significant mineralization;

4. rock samples submitted by P&L did not return value of significance for any metals of interest; and
5. the property can be considered at the early stage of exploration. There are no adjoining properties of significance located near to the Goldstrike property.

From the previous work performed on the Goldstrike property, and from property reconnaissance and sampling by P&L, indications are that the property does not host readily available areas of significant mineralization for follow-up exploration. P&L further states that there are many properties available to us within British Columbia that might be ranked at a higher level of potential.

Based on its review of P&L's review of the Goldstrike property, our Board of Directors has decided not to conduct any further exploration on these mineral claims. We may consider bringing in a joint venture partner to provide funding for additional exploration on the property. However, we cannot provide investors with any assurance that we will be able to locate a joint venture partner who will assist us in funding the exploration of the Goldstrike property.

Management intends to review other potential resource and non-resource assets for acquisition.

We anticipate spending the following over the next 12 months on administrative fees:

- * \$5,000 on legal fees
- * \$5,000 on accounting and audit fees
- * \$1,000 on EDGAR filing fees
- * \$500 on Transfer Agent fees
- * \$10,000 on general administration costs

Total expenditures over the next 12 months are therefore expected to be approximately \$21,500.

Our cash reserves are not sufficient to meet our obligations for the next twelve-month period. As a result, we will need to seek additional funding in the near future. 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.

Results Of Operations For Period Ending June 30, 2005

We did not earn any revenues during the period ending June 30, 2005. We incurred operating expenses in the amount of \$22,061 for the six-month period ended June 30, 2005. These operating expenses were comprised of transfer agent and filing fees of \$11,548, audit fees of \$5,675, legal fees of \$4,167, consulting fees of \$428, loss on foreign exchange of \$161 and bank charges of \$82.

At June 30, 2005, we had \$1,043 in cash on hand and liabilities totalling

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

\$16,335.

We have not generated any revenue since inception and are dependent upon obtaining financing to pursue exploration activities. For these reasons, our auditors believe that there is substantial doubt that we will be able to continue as a going concern.

Critical Accounting Policies

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Preparing financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet dates, and the recognition of revenues and expenses for the reporting periods. These estimates and assumptions are affected by management's application of accounting policies.

Mineral Properties

We charge all of our mineral property acquisition and exploration costs to operations as incurred. If, in the future, we determine that a mineral property in which we have an interest can be economically developed on the basis of established proven and probable reserves, we will capitalize the costs incurred to develop the property. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve.

Item 3 Controls and Procedures

Evaluation of Disclosure Controls

We evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2005. This evaluation was conducted by Dr. Ken Cai and Dr. Yenyong Zheng, our chief executive officer and our principal accounting officer.

Disclosure controls are controls and other procedures that are designed to ensure that information that we are required to disclose in the reports we file pursuant to the Securities Exchange Act of 1934 is recorded, processed, summarized and reported.

Limitations on the Effectiveness of Controls

Our management does not expect that our disclosure controls or our internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, but no absolute, assurance that the objectives of a control system are met. Further, any control system reflects limitations on resources, and the benefits of a control system must be considered relative to its costs. These limitations also include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of a control. A design of a control system is also based upon certain assumptions about potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Conclusions

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

Based upon their evaluation of our controls, Dr. Ken Cai and Dr. Yenyong Zheng, our chief executive officer and principal accounting officer, have concluded that, subject to the limitations noted above, the disclosure controls are effective providing reasonable assurance that material information relating to us is made known to management on a timely basis during the period when our reports are being prepared. There were no changes in our internal controls that occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect our internal controls.

PART II- OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not a party to any pending legal proceeding. Management is not aware of any threatened litigation, claims or assessments.

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

None.

Item 6. Exhibits and Report on Form 8-K

- 31.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

We did not file any current reports on Form 8-K during the period.

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.

August 24, 2005

Goldstrike Inc.

/s/ Dr. Ken Cai

Edgar Filing: GOLDSTRIKE INC - Form 10QSB

Dr. Ken Cai, President