

LAKEFIELD VENTURES INC
Form 10QSB
December 13, 2005

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

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

For the quarterly period ended **September 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 **000-501191**

LAKEFIELD VENTURES, INC.

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

Nevada

98-0201259

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

104-1015 Columbia Street, Suite 811

New Westminster, British Columbia

V3M 6V3

(Address of principal executive offices)

(Postal or Zip Code)

Issuer's telephone number, including area code: **604-351-3351**

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 Yes No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 39,212,800 shares of \$0.001 par value common stock outstanding as of a September 30, 2004.

LAKEFIELD VENTURES INC.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

September 30, 2005

(Stated in US Dollars)

(Unaudited)

LAKEFIELD VENTURES, INC.
(An
Exploration Stage Company)

CONDENSED BALANCE SHEETS

| | 30-Sep 2005 (Unaudited) | March 31, 2005 (Audited) |
|-----------------------------|-------------------------------|--------------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | \$ 456 | \$ 492 |
| TOTAL CURRENT ASSETS | \$456 | 492 |
| OTHER ASSETS | | 100 |
| TOTAL ASSETS | \$ 456 | \$ 592 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | |
|---|-----------------|------------------|
| CURRENT LIABILITIES: | \$30,416 | \$ 22,916 |
| COMMITMENTS AND CONTINGENCIES (See Note 4) | | |
| SHAREHOLDERS' EQUITY: | | |
| Preferred stock, \$.001par value, 10,000,000 shares authorized, no shares issued and outstanding | - | - |
| Common stock, \$.001 par value 50,000,000 shares authorized 39,212,800 shares issued and outstanding | 3,520 38,480 | 3,520 38,480 |

| | | | |
|---|-----------|----------------|------------------|
| Additional paid-in capital | | | |
| Accumulated deficit | | 37,581 | (35,081) |
| TOTAL SHAREHOLDERS' EQUITY | | 79,581 | 6,919 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ | 109,997 | \$ 29,835 |

LAKEFIELD VENTURES, INC.
(An Exploration Stage Company)

CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

| | Six Months Ended September, | | For the Period |
|-------------------------------------|-----------------------------|------|---|
| | 2005 | 2003 | from February 6, 2002 (inception) to March 31, 2005 |
| REVENUES | \$ - | \$ - | \$ - |
| Cost of operations | - | - | - |
| GROSS PROFIT | - | - | - |
| OPERATING EXPENSES | | | |
| General and administrative expenses | 7,500 | - | 64,324 |
| Total operating expenses | 7,500 | - | 64,324 |

| | | | | | |
|--|----|------------|----|-----------|-------------|
| Loss from continuing operations | | | | | |
| before provision for income taxes | | 7,500 | | - | (64,324) |
| Provision for income taxes | | - | | - | - |
| NET LOSS | \$ | 7,500 | \$ | - | \$ (64,324) |
| Loss per common share: | | | | | |
| Net loss from continuing operations | \$ | (0.002) | \$ | - | \$ (0.011) |
| Weighted average common shares outstanding - basic and diluted | | 39,212,800 | | 3,131,978 | 3,147,457 |

LAKEFIELD VENTURES, INC.
(An Exploration Stage Company)

CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

| | Six Months Ended September, | | For the Period | | |
|--------------------------------------|-----------------------------|-------|--|---|-----------|
| | 2005 | 2004 | from February 6, 2002 (inception) to 30-Jun-05 | | |
| CASH FLOW FROM OPERATING ACTIVITIES: | | | | | |
| Net loss | \$ | 7,500 | \$ | - | \$ 64,324 |
| Changes in assets and liabilities: | | - | | - | (2,500) |

Prepaid expenses
and other current
assets

| | | | |
|---|-------|------|-----------|
| NET CASH USED IN OPERATING ACTIVITIES | 7,500 | - | 61,824 |
| CASH FLOW FROM INVESTING ACTIVITIES | - | - | - |
| NET CASH USED IN INVESTING ACTIVITIES | - | - | - |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | |
| Net proceeds from the issuance of common stock | - | - | 42,000 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | - | - | 42,000 |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | |
| Increase in Cash and Proceeds from Cash note payable - Equivalents related party | | - | 25,000 |
| Repayment of note payable | | | -2,500 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | | | |
| Net proceeds from the issuance of common stock | - | - | 42,000 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | \$ - | \$ - | \$ 64,500 |

SUPPLEMENTAL
DISCLOSURE OF CASH
FLOW INFORMATION:

| | | | | | | |
|----------------------------|----|---|----|---|----|---|
| Cash paid for interest | \$ | - | \$ | - | \$ | - |
| Cash paid for income taxes | \$ | - | \$ | - | \$ | - |

LAKEFIELD VENTURES, INC.

NOTES TO FINANCIAL STATEMENTS

Month Ending September 30, 2005

NOTE 1 - NATURE OF OPERATIONS

Organization - The Company was incorporated in Nevada on February 6, 2002. The Company changed its fiscal year-end from September 30th to March 31st.

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Exploration Stage Activities - The Company has been in the exploration stage since its formation and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties. Upon location of a commercial minable reserve, the Company expects to actively prepare the site for its extraction and enter a development stage.

Going Concern - The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has no sales and has incurred a net loss \$ 7,500 for the period ending September 30, 2005; a net loss of \$35,081 for the year ended March 31, 2005; a net loss of \$3,076 for the year ended March 31, 2004; and a net loss of \$69,324 for the period from February 6, 2002 (inception) to June 30, 2005. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the development of its mineral properties. Management has plans to seek additional capital through a private placement and public offering of its common stock. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Recent Accounting Pronouncements - In April 2002, the Financial Accounting Standards Board ("FASB") issued Statement No. 145 ("Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections"). This statement rescinds FASB Statement No. 4, Reporting Gains and Losses from Extinguishment of Debt, and FASB Statement No. 64, Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements. Any gain or loss on the extinguishment of debt that was classified as an extraordinary item in prior periods has been reclassified into continuing operations.

In September 2002, the FASB issued Statement No. 146, ("Accounting for Costs Associated with Exit or Disposal Activities"). This statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Prior to this statement, a liability was recognized when the entity committed to an exit plan. Management believes that this statement will not have a material impact on the Company's financial statements; however, the statement will result in a change in accounting policy associated with the recognition of liabilities in connection with future restructuring charges.

In November 2002, the FASB issued Interpretation No. 45, ("Guarantor's Accounting and Disclosure Requirements for Guarantees Including Indirect Guarantees of Indebtedness of Others.") This interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. This interpretation does not prescribe a specific approach for subsequently measuring the guarantor's recognized liability over the term of the related guarantee. This interpretation also incorporates, without change, the guidance in FASB Interpretation No. 34, "Disclosure of Indirect Guarantees of Indebtedness of Others," which is being superseded.

In December 2002, the FASB issued Statement No. 148 ("Accounting for Stock-Based Compensation - Transition and Disclosure"). This statement amends FASB Statement No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements

of FASB Statement No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results.

In January 2003, the FASB issued Interpretation No. 46 ("Consolidation of Variable Interest Entities"). The interpretation defines a variable interest entity as corporation, partnership, trust or any other legal structure used for business purposes that either (a) does not have equity investors with voting rights nor (b) has equity investors that do not provide sufficient financial resources for the equity to support its activities. A variable interest entity often holds financial assets, including loans or receivables, real estate or other property. A variable interest entity may be essentially passive or it may engage in research and development or other activities on behalf of another company. This interpretation requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The Company would have to consolidate any of its variable interest entities that meet the above criteria as of July 1, 2003. The interpretation also requires disclosures about variable interest entities that the company is not required to consolidate but in which it has a significant variable interest. Management is in the process of determining if its interests in unconsolidated entities qualify as variable interest entities and, if so, whether the assets, liabilities, non-controlling interest, and results of activities are required to be included in the Company's consolidated financial statements.

In May 2003, the FASB issued Statement No. 150 ("Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity"). This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. The Statement requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. The Company is currently classifying financial instruments within the scope of this Statement in accordance with this Statement. This Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after September 15, 2003. Management does not believe that this Statement will have a material impact on the Company's financial statements.

Mineral Property Option Payments and Exploration Costs - The Company expenses all costs related to the maintenance and exploration of mineral claims in which it has secured exploration rights prior to establishment of proven and probable reserves. To date, the Company has not established the commercial feasibility of its exploration prospects; therefore, all costs are being expensed.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates.

Income Taxes - The Company has adopted Statement of Financial Accounting Standards No. 109 - "Accounting for Income Taxes" (SFAS 109). This standard requires the use of an asset and liability approach for financial accounting,

and reporting on income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not realized, a valuation allowance is recognized.

Basic and Diluted Loss Per Share - In accordance with SFAS No. 128 - "Earnings Per Share", the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At September 30, 2002, the Company has no common stock equivalents that were anti-dilutive and excluded in the earnings per share computation.

NOTE 3 - MINERAL PROPERTY INTERESTS

The Company has entered into an option agreement, dated April 15, 2002 to acquire a 90% interest in a total of six mineral claims located in the Levy Township in Quebec, Canada. In order to earn its interests, the Company made a cash payment totaling \$2,500 upon consummating the agreement. Under the terms of the agreement the Company is required to incur exploration expenditures totaling \$150,000, of which \$15,000 was advanced on December 10, 2004 and \$135,000 is required to be expended by December 31, 2005. The properties are subject to 1% net smelter return royalty fees.

On September 22, 2005, Lakefield Ventures, Inc. (the Company or Lakefield) entered into an Assignment Agreement (the Agreement) with International Mineral Resources Ltd. (IMR), a company organized in the British Virgin Islands, whereby IMR assigned its right, title and interest in and to the option agreement entered into between IMR and United Energy Metals S.A. (the Option Agreement) to Lakefield. The Option Agreement allows for the holder of the option (the Option) to acquire 99.8% of the equity in United Energy Metals S.A., an Argentina company, which in turn holds a 100% interest in a commanding property position of 170,000 hectares adjacent to the Cerro Solo Uranium deposit (such property is known as the Rio Chubut property). As consideration for the assignment of the Option from IMR to Lakefield, Lakefield is required to issue to IMR 8,000,000 shares of common stock of Lakefield and pay to IMR US\$50,000.00 as well as IMR retaining a 5% net smelter royalty. This deposit is located in Chubut Province within Patagonia of Southern Argentina. The exploration block is approximately 160 km x 195 km, and borders the Cerro Solo uranium deposit to both the North and South.

NOTE 4 CONTINGENCY

Mineral Property - The Company's mineral property interests have been acquired pursuant to option agreements. In order to retain its interest, the Company must satisfy the terms of the option agreements described in Note 3.

NOTE 5 - RELATED PARTY TRANSACTIONS

During the period ended March 31, 2003, the Company incurred \$9,600 for management consulting services provided by two directors of the Company.

Effective February 6, 2002, the Company entered into a management consulting agreement with a director which pays \$12,000 per annum and expired February 6, 2004.

Item 2. Management's Discussion and Analysis or Plan of Operation

FORWARD LOOKING STATEMENTS

This quarterly report contains forward-looking statements that involve risks and uncertainties. We use words such as anticipate, believe, plan, expect, future, intend and similar expressions to identify such forward-looking statements. You should not place too much reliance on these forward-looking statements. Our actual results are likely to differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described in this Risk Factors section and elsewhere in this annual report.

Item 3. Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, within the 90 days prior to the filing date of this report, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls

and procedures. This evaluation was conducted by the sole director of the Company, who also acts as the Company's President, the Chief Executive Officer, and the Chief Financial Officer.

Based upon that evaluation, the Company concluded that the disclosure controls and procedures are effective. There have been no significant changes in the Company's internal controls or in other factors, which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

Plan of Operation

We have completed Phase 1 of our exploration program on the Kayla property and our plan of operations for the twelve months following the date of this report is to determine whether to proceed with Phase 2 of our exploration program on the Kayla property. If we determine to proceed, we anticipate that Phase 2 of this program will cost \$135,000 respectively.

In addition, we anticipate spending \$10,000 on professional fees and \$10,000 on other administrative expenses.

Total expenditures over the next 12 months are therefore expected to be \$155,000. We will not be able to proceed with our exploration program, or meet our administrative expense requirements, without additional financing.

We will not be able to complete the initial exploration program on our mineral

property without additional financing. 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 director, 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. Due to these factors, raise substantial doubt that the Company will be able to continue as a going concern. To the extent management's plans are unsuccessful in circumventing the going concern uncertainty; the Company will cease all operations and no longer continue as a going concern.

Results Of Operations for Three-Month Period Ended September 30, 2004

We incurred operating expenses in the amount of \$0 for the three-month period ended September 30, 2005, as compared to \$8,046 for the comparative period in 2004. At quarter end, we had cash on hand of \$456. Our liabilities at the same date totaled \$30,416.

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

**DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS;
APPOINTMENT OF PRINCIPAL OFFICERS**

On September 1, 2005, Mr. Luis Humberto Goyzueta Angobaldo was appointed as a director of Lakefield Ventures Inc. (the Company).

ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On September 22, 2005, Lakefield Ventures, Inc. (the Company or Lakefield) entered into an Assignment Agreement (the Agreement) with International Mineral Resources Ltd. (IMR), a company organized in the British Virgin Islands, whereby IMR assigned its right, title and interest in and to the option agreement entered into between IMR and United Energy Metals S.A. (the Option Agreement) to Lakefield. The Option Agreement allows for the holder of the option (the Option) to acquire 99.8% of the equity in United Energy Metals S.A., an Argentina company, which in turn holds a 100% interest in a commanding property position of 170,000 hectares adjacent to the Cerro Solo Uranium deposit (such property is known as the Rio Chubut property). As consideration for the assignment of the Option from IMR to Lakefield, Lakefield is required to issue to IMR 8,000,000 shares of common stock of Lakefield and pay to IMR US\$50,000.00 as well as IMR retaining a 5% net smelter royalty. This deposit is located in Chubut Province within Patagonia of Southern Argentina. The exploration block is approximately 160 km x 195 km, and borders the Cerro Solo uranium deposit to both the North and South.

DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS

On September 28, 2005, Mr. Michael Iverson resigned as president of Lakefield Ventures, Inc. (the Company) without having any disagreement with the Company on any matter relating to the Company s operations, policies or practices.

On the same day, Mr. Richard Bachman was appointed as president and a director of the Company.

10.1 Option Agreement Between Lakefield and IMR

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

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.

Lakefield Ventures Inc.

/s/ Richard Bachman

Richard Bachman

President, and Director

(Principal Accounting and Executive

Officer)

Dated: December 12, 2005