

DAKOTA TERRITORY RESOURCE CORP
Form 10-Q
November 06, 2014

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

FORM 10-Q

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

For the quarterly period ended September 30, 2014

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 000-501191

Dakota Territory Resource Corp
(Exact Name of Registrant as Specified in its
charter)

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Nevada
(State or other jurisdiction of incorporation or organization)

98-0201259
(I.R.S. Employer Identification No.)

10580 N. McCarran Blvd., Building 115-208

Reno, Nevada
(Address of principal executive offices)

89503
(Zip Code)

(775) 747-0667
(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 past 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 by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

Number of shares of issuer's common stock outstanding at November 3, 2014: 53,509,256

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DAKOTA TERRITORY RESOURCE CORP

(An Exploration Stage Company)

BALANCE SHEETS

(Unaudited)

	September 30,	March 31,
	2014	2014
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 52,614	\$ 456,329
Prepaid expenses and other current assets	2,917	708
Total current assets	55,531	457,037
Other assets	25,774	2,834
Mineral properties	191,566	191,335
TOTAL ASSETS	\$ 272,871	\$ 651,206
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 319,629	\$ 349,946
Accounts payable, related party	340,114	338,079
Line of credit	26,307	27,950
Notes payable	305,550	305,550
Convertible notes payable	100,000	100,000
Total current liabilities	1,091,600	1,121,525
Note payable to related party	265,000	265,000
Total liabilities	1,356,600	1,386,525
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' DEFICIT		
Preferred stock, par value \$0.001; 10,00,000 shares authorized, no shares issued and outstanding as of September 30, 2014 and March 31, 2014, respectively	-	-
Common stock, par value \$0.001; 300,000,000 shares authorized, 53,305,296 shares issued and outstanding as of September 30, 2014 and 52,747,376 as of March 31, 2014, respectively	53,305	52,747
Additional paid-in capital	1,012,761	843,569
Deficit accumulated during the exploration stage	(2,149,795)	(1,631,635)

Total shareholders' deficit	(1,083,729)	(735,319)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ 272,871	\$ 651,206

The accompanying notes are an integral part of these financial statements.

DAKOTA TERRITORY RESOURCE CORP

(An Exploration Stage Company)

UNAUDITED STATEMENTS OF OPERATIONS

	Six months ended		Three months ended		For the period
	September 30,	September 30,	September 30,	September 30,	from April 12,
	2014	2013	2014	2013	2011
					(inception)
					through
					September 30,
					2014
OPERATING EXPENSES					
Depreciation and amortization	\$ 333	\$ 4,250	\$ —	\$ 2,125	\$ 10,250
Impairment loss	—	—	—	—	61,629
Exploration costs	24,876	19,805	24,876	19,805	139,689
General and administrative expenses	477,350	372,869	236,576	105,243	1,881,663
Total operating expenses	502,559	396,924	261,452	127,173	2,093,231
LOSS FROM OPERATIONS	(502,559)	(396,924)	(261,452)	(127,173)	(2,093,231)
OTHER INCOME (EXPENSE)					
Gain on debt extinguishment	—	—	—	—	17,361
Interest expense	(15,601)	(15,516)	(7,801)	(7,800)	(73,925)
Total other income (expense)	(15,601)	(15,516)	(7,801)	(7,800)	(56,564)
NET LOSS	\$ (518,160)	\$ (412,440)	\$ (269,253)	\$ (134,973)	\$ (2,149,795)
Net loss per share:					
Basic and diluted net loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.00)	
Weighted average shares outstanding:					
Basic and diluted	53,406,975	44,554,038	53,278,865	45,747,376	

The accompanying notes are an integral part of these financial statements.

DAKOTA TERRITORY RESOURCE CORP

(An Exploration Stage Company)

UNAUDITED STATEMENTS OF CASH FLOWS

	Six months ended		For the period from April 12, 2011 (inception) through September 30, 2014
	September 30, 2014	September 30, 2013	September 30, 2014
Net loss	\$ (518,160)	\$ (412,440)	\$ (2,149,795)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense	333	4,250	10,250
Shares issued for services	169,750	137,875	824,733
Impairment loss	-	-	61,629
Amortization of debt discount	-	-	15,556
Loss on debt extinguishment	-	-	(17,361)
Changes in current assets and current liabilities:			
Prepaid expenses and other assets	(25,482)	4,249	(13,440)
Accounts payable & accrued liabilities	(30,317)	23,392	(85,577)
Accounts payable, related party	2,035	80,744	340,114
Net cash used in operating activities	(401,841)	(161,930)	(1,013,891)
Cash Flows From Investing Activities:			
Investment in mineral properties	(231)	-	(41,567)
Net cash used in investing activities	(231)	-	(41,567)
Cash Flows From Financing Activities:			
Proceeds from the issuance of common stock	-	100,000	1,115,000
Proceeds from (repayments of) line of credit	(1,643)	(1,840)	(6,928)
Net cash provided by (used in) financing activities	(1,643)	98,160	1,108,072
Net change in cash	(403,715)	(63,770)	52,614
Cash and Cash Equivalents, Beginning of Period	456,329	68,121	-
Cash and Cash Equivalents, End of Period	\$ 52,614	\$ 4,351	\$ 52,614

**Supplemental Disclosure of Noncash
Transactions**