

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

GOLDEN HAND RESOURCES INC

Form 10QSB

August 17, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-QSB

☒ [X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

FOR THE QUARTERLY PERIOD ENDED June 30, 2004

☐ [] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934.

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number 0-21931

GOLDEN HAND RESOURCES INC.

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

Washington

(State or other jurisdiction of
incorporation or organization)

912061053

(I.R.S. Employer
Identification No.)

36 Derech Bait Lechem
Jerusalem, Israel

(Address of principal executive offices)

011-972-6737445

(Issuer's telephone number)

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 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 ☒ [X] No ☐ []

The number of shares outstanding of the Issuer's Common Stock, \$.001 Par Value, as of August 13, 2004 was 10,428,000.

PART 1 - FINANCIAL INFORMATION

Golden Hand Resources Inc.
(formerly Wizbang Technologies Inc.)
Balance Sheets
(Expressed in U.S. Dollars)

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

	June 30, 2004 \$ (unaudited)	March 31, 2004 \$ (audited)
ASSETS		
Current Assets		
Cash	67,817	4,604
Prepaid expenses	155	155
Total Current Assets	67,972	4,759
Product License (Note 3)		
Cost	--	66,000
Accumulated amortization	--	(54,529)
Product License, Net	--	11,471
Total Assets	67,972	16,230
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	--	140
Accrued liabilities	4,950	6,509
Notes payable (Notes 3 and 4)	--	30,974
Advance from related party (Note 5(d))	--	10,044
Total Liabilities	4,950	47,667
Contingencies and Commitments (Notes 1, 3 and 4)		
Subsequent event (Note 7)		
STOCKHOLDERS' EQUITY		
Preferred stock: 20,000,000 preferred shares authorized with par value \$.0001; none issued	--	--
Common stock: 100,000,000 common shares authorized with par value \$.0001; 10,428,000 and 10,238,000 issued and outstanding, respectively (Note 6(a))	1,043	1,024
Common shares subscribed (Note 6(b))	67,792	--
Additional paid in capital	83,507	81,476
Donated capital (Note 5(a))	52,500	48,750
	204,842	131,250
Deficit	(141,820)	(162,687)
Total Stockholders' Equity	63,022	(31,437)
Total Liabilities and Stockholders' Equity	67,972	16,230

(The accompanying notes are an integral part of these financial statements)

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

Golden Hand Resources Inc.
(formerly Wizbang Technologies Inc.)
Statement of Operations
(Expressed in U.S. Dollars)
(unaudited)

	Three Months Ended June 30,	
	2004	2003
	\$	\$
Sales	-	-
Cost Sales	-	-
<hr/>		
Gross Margin	-	-
<hr/>		
Operating Expenses		
Amortization	-	5,542
Bank charges and interest	15	410
Communication	1,972	150
Donated services (Note 5(a))	3,000	3,000
Mineral properties expense	-	-
Professional Fees	2,976	2,023
Donated rent (Note 5(a))	750	750
Loss on impairment of intangible asset (Note 3)	11,471	-
<hr/>		
Total Operating Expenses	20,184	11,875
<hr/>		
Other Income		
Consulting revenue (Note 5(c))	10,350	-
Gain on forgiveness of debt (Notes 3 and 4)	26,742	-
Gain on forgiveness of interest (Notes 3 and 4)	3,958	-
<hr/>		
Total Other Income	41,050	-
<hr/>		
Provision For Income Taxes	-	-
<hr/>		
Net Income (Loss) for the Period	20,866	(11,875)
<hr/>		
Net Loss Per Share - Basic and Diluted	-	-
<hr/>		
Weighted Average Shares Outstanding	10,303,000	10,100,000
<hr/>		

(The accompanying notes are an integral part of these financial statements)

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

Golden Hand Resources Inc.
(formerly Wizbang Technologies Inc.)
Statement of Cash Flows
(Expressed in U.S. Dollars)
(unaudited)

	Three Months Ended June 30,	
	2004	2003
	\$	\$
Cash Flows From Operating Activities		
Net loss for the period	20,866	(11,875)
Adjustments to reconcile net loss to net cash used by operating activities:		
Amortization	-	5,542
Donated consulting services	3,000	3,000
Shares issued for services	2,050	
Donated rent	750	750
Gain on forgiveness of debt	(26,742)	-
Gain on forgiveness of interest	(3,958)	
Loss on impairment of intangible asset	(11,471)	-
Changes in operating assets and liabilities		
Prepaid expenses	-	150
Accounts payable	(139)	999
Accrued liabilities	2,399	1,066
Net Cash Provided by (Used In) Operating Activities	(13,244)	(368)
Cash Flows From Financing Activities		
Repayment of related party advances	(10,044)	-
Proceeds from common share subscriptions	67,792	
Repayment of notes payable	(4,233)	-
Cash Flows Provided by (Used In) Financing Activities	53,515	-
Increase (Decrease) in Cash	40,271	(368)
Cash, Beginning of Period	4,604	9,996
Cash, End of Period	44,875	9,628
Non-cash Financing Activities		
Common shares were issued for services	2,050	-
Forgiveness of notes payable	26,742	-
Forgiveness of interest owing on notes payable	3,958	-
	32,750	-
Supplemental Disclosures		
Interest paid	-	-
Income taxes paid	-	-

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

(The accompanying notes are an integral part of these financial statements)

4

Golden Hand Resources, Inc.
(formerly Wizbang Technologies Inc.)
Notes To Financial Statements
(Expressed in US Dollars)

1. Company Background

Golden Hand Resources Inc. (formerly Wizbang Technologies, Inc.) ("the Company") was incorporated in the State of Washington on September 22, 2000. On this date the Company entered into a licensing agreement with Reach Technologies, Inc., a Canadian Corporation. The license agreement allows the Company to sell a Digital Data Recorder product line worldwide. On July 31, 2003 the Company acquired an option to purchase the Dalhousie Mineral Claim, situated in the Stewart Area, Skeena Mining Division in the Province of British Columbia, Canada. On May 8, 2004 the claim was returned to the vendor. The Company's principal business plan was to seek immediate earnings by exploiting the license agreement with Reach Technologies, Inc. and intended to develop an exploration program for the Dalhousie Mineral Claim.

On July 8, 2004 the Company entered into a licensing agreement with Ramot, an Israel corporation, to acquire certain stem cell technology (see Note 7). The Company's business plan will now focus on the treatment for Parkinson's disease based on the results of the acquired technology and research to be conducted and funded by the Company.

The Company emerged from being a development stage company during the fiscal year ended March 31, 2003. In a development stage company, management devoted most of its activities to establishing the business. Planned principal activities originally generated significant revenue however sales have decreased substantially. The Company has a deficit of \$141,820 at June 30, 2004. However because of recent share subscriptions the Company has working capital at June 30, 2004 of \$63,022. The Company plans to generate sufficient cash flow from sales to meet its long-term requirements. Although existing cash and cash flow from sales is expected to fulfill future capital needs, if sales in the long-term are insufficient, the Company may need additional capital to carry out its business plan. In the event that the Company requires more capital, no commitments to provide additional funds have been made by management or other shareholders. Accordingly, there can be no assurance that any additional funds will be available on terms acceptable to the Company or at all. There is substantial doubt regarding the Company's ability to continue as a going concern.

2. Summary of Significant Accounting Principles

a) Year End

The Company's fiscal year end is March 31.

b) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

c) Intangible Assets

Intangible assets consist of product license, which is amortized on a straight-line basis over four years. The carrying value of the License is evaluated in each reporting period to determine if there were events or circumstances, which would indicate a possible inability to recover the carrying amount. Such evaluation is based on various analyses including assessing the Company's ability to bring the commercial applications to market, related profitability projections and undiscounted cash flows relating to each application. Where an impairment loss has been determined the carrying amount is written-down to fair market value.

5

Golden Hand Resources, Inc.
(formerly Wizbang Technologies Inc.)
Notes To Financial Statements
(Expressed in US Dollars)

2. Summary of Significant Accounting Principles (continued)

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 during the reporting period. Areas where significant estimates have been applied include the value of donated services and recoverability of license costs. Actual results could differ from those estimates. e) Interim Financial Statements

These interim unaudited financial statements have been prepared on the same basis as the annual financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

f) Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, "Earnings per Share" (SFAS 128). SFAS 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

g) Revenue Recognition

The Company recognizes revenue from sales of Digital Data Recorders when goods have been shipped and title has passed to the customer. The Company recognizes revenue in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 104 ("SAB 104"), "Revenue Recognition in Financial Statements." Revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed, and collectibility is reasonably assured.

The Company follows the guidance pursuant to Emerging Issues Task Force (EITF) No. 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent." The Company records revenue on a gross basis representing the amount that has been billed to a customer. The Company has the risks and rewards of ownership including the risk of loss for collection, delivery and returns. Also the Company has latitude in establishing product pricing above a specific minimum price and also has bears all credit risk in the event collection is not made from a customer.

h) Comprehensive Loss

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at June 30, 2004 and 2003, the Company has no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

6

Golden Hand Resources, Inc.
(formerly Wizbang Technologies Inc.)
Notes To Financial Statements
(Expressed in US Dollars)

2. Summary of Significant Accounting Principles (continued)

i) Financial Instruments

The fair values of cash and equivalents, accrued liabilities, advances from a related party, and note payable were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

j) Mineral Property Acquisition and Exploration Costs

The Company capitalizes all costs related to the acquisition of mineral properties and any exploration expenses are charged to operations. If the mineral properties are abandoned or otherwise impaired, the related capitalized costs are charged to operations. If any of the Company's mineral properties attains commercial production, capitalized costs will be amortized on a unit of production basis.

k) Recent Accounting Pronouncements

In December 2003, the United States Securities and Exchange

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

Commission issued Staff Accounting Bulletin No. 104, "Revenue Recognition" (SAB 104), which supersedes SAB 101, "Revenue Recognition in Financial Statements." The primary purpose of SAB 104 is to rescind accounting guidance contained in SAB 101 related to multiple element revenue arrangements, which was superseded as a result of the issuance of EITF 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." While the wording of SAB 104 has changed to reflect the issuance of EITF 00-21, the revenue recognition principles of SAB 101 remain largely unchanged by the issuance of SAB 104. The adoption of SAB 104 did not have a material impact on the Company's financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity". SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). The requirements of SFAS No. 150 apply to issuers' classification and measurement of freestanding financial instruments, including those that comprise more than one option or forward contract. SFAS No. 150 does not apply to features that are embedded in a financial instrument that is not a derivative in its entirety. SFAS No. 150 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 June 15, 2003, except for mandatory redeemable financial instruments of nonpublic entities. It is to be implemented by reporting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of SFAS No. 150 and still existing at the beginning of the interim period of adoption. Restatement is not permitted. The adoption of this standard did not have a material effect on the Company's results of operations or financial position.

1) Interim Financial Statements

These interim unaudited financial statements have been prepared on the same basis as the annual financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

7

Golden Hand Resources, Inc.
(formerly Wizbang Technologies Inc.)
Notes To Financial Statements
(Expressed in US Dollars)

3. Product License

The Company acquired the right to market and sell a Digital Data Recorder product line (the "License") in the states of North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, and Colorado. The licensed product consists of 0 to 40 Megabit per second Bit Error Rate Testers that are configured for laboratory and onsite use. Models consist of laboratory,

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

rack mount and portable versions. The licensor maintains the right to set the minimum price of the licensed products. The license was acquired on September 22, 2000 and has a four-year term. The license was purchased by the Company for \$16,000 cash from Reach Technologies, Inc. ("Reach"), which is one-third owned by the President of the Company and two-thirds owned by arms-length parties. Reach manufactures all of the products that the Company sells. Under the terms of the License agreement, the Company purchases products from Reach and resells them.

On October 31, 2001 the Company agreed to pay \$20,000 in the form of a note payable, due October 31, 2003, to amend the License agreement to a worldwide exclusive license, except in the territories of Washington DC, Virginia, West Virginia, Maryland, Pennsylvania, New York, Connecticut, Massachusetts, New Hampshire, Maine, Ohio, Kentucky and Tennessee where the license will be non-exclusive. The Company has repaid the note payable in full.

On June 10, 2002 the Company agreed to pay \$30,000 in the form of a note payable, due June 30, 2004, to amend the License agreement to include a worldwide exclusive license for data recorders in the 41 to 160 mega bit per second range. Interest accrues on the unpaid principal amount of \$20,974 at a rate of 7% per annum and matures June 30, 2004 and is due on demand in the event of termination for cause, which includes breach of the agreement; the bankruptcy or insolvency of Golden Hand Resources Inc.; or the conviction of Golden Hand Resources Inc., its officers or directors, of any crime involving moral turpitude. The product license was being amortized on a straight-line basis over four years.

On May 4, 2004 the Company amended the License Agreement with Reach Technologies Inc. in exchange for a cash payment of \$4,233 and the forgiveness of the remaining balance on the promissory note of \$16,741 and accrued interest of \$3,653. The Company agreed to convert the license to a worldwide non-exclusive license.

Due to the non-exclusivity of the license the Company cannot determine whether the license will generate any future sales. As a result, the Company has recognized impairment in the value of product license equal to its net book value of \$11,471, which was charged to operations.

4. Mineral Claim

On July 31, 2003 the Company acquired an option to purchase the Dalhousie Mineral Claim, situated in the Stewart Area, Skeena Mining Division in the Province of British Columbia, Canada. The purchase price was \$10,000 payable to the vendor within ninety days of the date of the Sale Agreement ("the Agreement"). The Company, pursuant to the Agreement, was required to split the common shares on a two for one basis and cancel an appropriate number of shares held by the Company's President to leave 10,100,000 post-split shares issued and outstanding prior to any share issuances to the vendor. The cancellation of shares held by the Company's President was completed as of December 31, 2003. Pursuant to the Agreement the Company was required to issue 100,000 post-split shares within ninety days of the date of the Agreement (see Note 6(a)) and 100,000 post-split shares on the beginning of any exploration program which the Company carries out on the Dalhousie Claim. Also, pursuant to the Agreement, the Company was to issue 100,000 post-split common shares to the vendor, upon the Dalhousie Claim being put into commercial production.

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

Golden Hand Resources, Inc.
(formerly Wizbang Technologies Inc.)
Notes To Financial Statements
(Expressed in US Dollars)

4. Mineral Claim (continued)

On September 1, 2003 the Company amended its Agreement such that the cash purchase price of the Dalhousie Mineral Claim was made by way of promissory note and that upon issue of the first tranche of 100,000 shares, the option portion of the Agreement would complete and transfer of claims and title would pass to the Company as described in the Agreement. As at March 31, 2004, the balance owing on the note payable was \$10,000 and accrued interest of \$408 was included in accrued liabilities.

On October 6, 2003 the Company completed its option on the Dalhousie Mineral Claim by issuing 100,000 shares to the vendor pursuant to the Agreement. Also pursuant to the Agreement, the Company cancelled 10,062,000 shares owned by the President.

On May 4, 2004 the Dalhousie Mineral Claim was returned to the vendor in exchange for the forgiveness of \$10,305 includes accrued interest of \$305 owing to the vendor.

5. Related Party Transactions/Balances

- a) A company controlled by the former President of the Company donated services valued at \$3,000 (2002 - \$3,000) and rent valued at \$750 for the three months ended June 30, 2004 (2003 - \$750). These amounts were charged to operations and classified as "donated capital" in stockholders' equity.
- b) A Company director is also a 50% shareholder in Reach Technologies, Inc. ("Reach"). The other shareholders of Reach are not related to the Company. Under the terms of the license agreement with Reach, which was negotiated at a time when the Company's President was a one third shareholder in Reach and therefore at arms length, the Company acquires products from Reach for sale to unrelated third parties. The Company made no purchases from Reach during the three-month period ending June 30, 2004.
- c) The former President of the Company advanced \$10,044 for working capital purposes, which was paid during the three months ended June 30, 2004. This amount was unsecured, non-interest bearing and payable on demand.

6. Common Stock

- a) During the three months ended June 30, 2004 the Company issued 190,000 common shares valued at \$2,050 for services.
- b) During the three months ended June 30, 2004 the Company accepted subscription agreements for 10,210,000 common shares for aggregate proceeds of \$110,172. Cash of \$67,792 with respect to this offering was received prior to June 30, 2004 with the balance of \$42,380 received in July 2004.

7. Subsequent Event

On July 8, 2004 the Company entered into a Research and License Agreement ("Agreement") with Ramot, a technology licensing company of Tel Aviv University Ltd. The Agreement grants the Company Licensing rights to:

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

certain stem cell technology and related patent application; results of further research to be performed; and intellectual property to be developed.

9

Golden Hand Resources, Inc.
(formerly Wizbang Technologies Inc.)
Notes To Financial Statements
(Expressed in US Dollars)

7. Subsequent Event (continued)

In consideration for the license the Company is required to remit an upfront license fee payment of \$100,000 within 45 days; 5% of all net sales of products; and 30% of all sublicense receipts.

The Company has also agreed to fund further research of US\$570,000 per year for an initial two-year period and for a further two-year period if certain research milestones are met.

The license remains in effect until the expiration of all payment obligations have been met. Ramot may terminate the Agreement if the Company: fails to reach certain development milestones; fails to raise a minimum of US\$750,000 of investment capital within the next six months; or materially breaches the agreement.

10

Item 2. Management's Discussion and Analysis

The Research and License Agreement with Ramot grants us a license under certain stem cell technology developed by Professor Eldad Melamed (MD), Dr. Daniel Offen (PhD) and Yossef Levy (MSc) at the Felsenstein Medical Research Center of Tel Aviv University, and provides us with a license to the results of research relating to such technology conducted and to be funded by us in accordance with a defined research plan and budget. It is intended that Prof. Melamed's and Dr. Offen's team would continue the research of applications of adult stem cell transplantation for neurodegenerative diseases with an initial focus on treatment for Parkinson's Disease. We believe, although we cannot provide assurances, that this technology has the potential to provide an alternative to current therapies for a number of unmet medical needs in large markets.

Parkinson's disease (PD) is a chronic, progressive neurodegenerative disorder, affecting certain nerve cells in the brain that produce dopamine. Dopamine is a chemical messenger (neurotransmitter) in a part of the brain that directs and controls movement. In PD, these dopamine-producing nerve cells break down, causing dopamine levels to drop and brain signals that direct movement to become abnormal. The cause of the disease is unknown.

The classic symptoms of Parkinson's disease are shaking (tremor), stiff muscles (rigidity) and slow movement. A person with fully developed PD may also have a stooped posture, a blank stare or fixed facial expression, speech problems and difficulties with balance or walking.

Our approach is intended to focus on the processing of human mesenchymal stem cells, present in adult marrow, which are capable of self-renewal, as well as differentiation into many mesenchymal-derived tissues. Our aim is to "repair" damaged cells and diseased tissue by augmentation with healthy cells provided by

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

stem cell transplants.

At June 30, 2004, we had \$67,972 in total assets and \$4,950 in total liabilities. Cash increased by \$63,212 as compared to \$4,604 at March 31, 2004. We received share subscriptions of \$67,792.

We had no revenue from the sales of our products for the period ended June 30, 2004, but received \$10,350 in the form of consulting revenue.

Total operating expenses increased \$8,309 over the previous year, to \$20,184. This net decrease was largely due to:

1. an decrease in amortization expense from \$5,542 to 0, and
2. an decrease in bank charges and interest from \$410 to \$15
3. On May 4, 2004 the Company amended the License Agreement with Reach Technologies Inc. in exchange for a cash payment of \$4,233 and the forgiveness of the remaining balance on the promissory note of \$16,741 and accrued interest of \$3,653. The Company agreed to convert the license to a worldwide non-exclusive license. Due to the non-exclusivity of the license the Company cannot determine whether the license will generate any future sales. As a result, the Company has recognized impairment in the value of product license equal to its net book value of \$11,471, which was charged to operations.

Included in total expenses is \$3,000 in servies and \$750 in rent, which was donated by the President of the Company, and therefore did not require cash.

Also included in operations is the forgiveness of another note payable of \$10,000 plus accrued interest of \$305 which related to a mineral claim purchased by the company in fiscal 2003. On May 4, 2004 the mineral claim was returned to the lender.

Net Income for the fiscal period ended June 30, 2004 was \$20,866 as compared with A net loss of \$11,875 during the previous fiscal year for that same period.

11

The Company has a net loss per share (basic and diluted) of \$0 per share.

In the event that the Company requires more capital, no commitments to provide additional funds have been made by management or other shareholders. Accordingly, there can be no assurance that any additional funds will be available on terms acceptable to the Company or at all. There is substantial doubt regarding the Company's ability to continue as a going concern.

Our license with Reach Technologies Inc. expires on September 30, 2004. The license is renewable by mutual agreement between us and Reach Technologies Inc. for an additional three-year periods. We have not yet begun discussions with Reach Technologies Inc. with respect to the license renewal.

We do not foresee any significant changes in the number of our employees over the next twelve months except in connection with our Research and License Agreement with Ramot or if we complete any other acquisitions which would require the Company to hire additional employees related to that business.

We have not paid dividends on our common stock, and we intend to reinvest our earnings, if any, to support its working capital and expansion requirements.

We do not expect to sell any manufacturing facilities or significant equipment

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

over the next twelve months except within the demands of potential acquisitions that the Company may pursue.

12

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with U.S. generally 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 during the reporting period. Areas where significant estimates have been applied include the value of donated services and recoverability of license costs. Actual results could differ from those estimates.

The methods, estimates, and judgments we use in applying our most critical accounting policies have a significant impact on the results that we report in our financial statements. The SEC considers an entity's most critical accounting policies to be those policies that are both most important to the portrayal of a company's financial condition and results of operations, and those that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about matters that are inherently uncertain at the time of estimation. We believe the following critical accounting policies, among others, require significant judgments and estimates used in the preparation of our financial statements:

Recoverability of license costs since commercial have recently commenced and operations and future profitability will determine if the license cost is recoverable; a judgment must be made with respect to its recoverability. Due to the non-exclusivity of the Company's license agreement the Company cannot determine whether its license will generate any future sales. As a result, the Company has recognized impairment in the value of product license equal to its net book value of \$11,471, which was charged to operations. Value of donated services and rent represents a significant expense of the company that does not use cash. It is not based on an any contract and therefore requires an estimate.

13

RECENT ACCOUNTING PRONOUNCEMENTS

The following is disclosure regarding recent accounting pronouncements and their effect or potential effect on our financial statements.

In December 2003, the SEC issued SAB 104. This staff accounting bulletin revises or rescinds certain sections of SAB 101, which gives interpretation guidance about revenue recognition. SAB 104 makes the interpretive guidance of SAB 101 consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. The adoption of SAB 104 in the fourth quarter of fiscal 2004 did not impact our financial position, cash flows or results of operations.

14

CONTROLS AND PROCEDURES

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

(a) Evaluation of Disclosure Controls and Procedures.

Within the 90 days prior to the date of the Quarterly Report for the period ended June 30, 2004, we carried out an evaluation, under the supervision and with the participation of our management, including the company's Chairman and Chief Executive Officer and the Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 3a-14 of the Securities Exchange Act of 1934 (the "Exchange Act"), which disclosure controls and procedures are designed to insure that information required to be disclosed by a company in the report that it files under the Exchange Act is recorded, processed summarized and reported within required time periods specified by the SEC's rules and forms. Based upon that evaluation, the Chairman and the Principal Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to the company (including our consolidated subsidiaries) required to be included in the company's period SEC filings.

(b) Changes in Internal Control.

Subsequent to the date of such evaluation as described in subparagraph (a) above, there were no significant changes in our internal controls or other factors that could significantly affect these controls, including any corrective action with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse affect on our business, financial condition or operating results.

ITEM 2. CHANGE IN RESTRICTED SECURITIES

In our first quarter of 2004 we issued 150,000 shares of our common stock to our legal counsel for services rendered to the Company and issued an additional 40,000 shares of our restricted common stock to two individuals, one of which is also our legal counsel, for edgar services rendered to the Company. We believe these issuances were pursuant to Section 4(2) of the Securities Act of 1933, as amended.

15

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not Applicable.

ITEM 5. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

a. Exhibits

31.1 Certification by the Chief Financial Officer and Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act

Edgar Filing: GOLDEN HAND RESOURCES INC - Form 10QSB

of 2002

32.1 Certification of Principal Executive Officer and Principal Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

b. On May 24, 2004 we filed a Current Report on Form 8-K discussing a change in control of the registrant which was subsequently update on June 10, 2004. (SEC File Number - 333-61610). Also, subsequent to the first quarter, on July 27th, we filed a Form 8-K with the SEC disclosing our Research and License Agreement with Ramot.

16

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOLDEN HAND RESOURCES, INC.

Dated: August 13, 2004

By: /s/ Irit Arbel

Name: Irit Arbel
Title: President, Director
Principal Executive Officer and
Principal Accounting Officer

17