

Geopulse Exploration Inc.
Form 10-Q
June 06, 2011

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

FORM 10-Q

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

For the quarterly period ended April 30, 2011

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: 000-54141

GEOPULSE EXPLORATION, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation)

20-2815911
(IRS Employer Identification Number)

6565 Americas Parkway NE, Suite 200

Albuquerque, NM 87110
(Address of principal executive offices)
(505) 563-5787

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(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 preceding 12 months (or for 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Not Applicable.

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 the definitions 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)

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

As of April 30, 2011 the Issuer had 136,180,000 shares of common stock issued and outstanding.

PART I-FINANCIAL INFORMATION

ITEM 1.

FINANCIAL STATEMENTS.

The financial statements included herein have been prepared, without audit, in accordance with accounting principles generally accepted in the United States for interim financial information. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations, and the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the January 31, 2011 audited financial statements and the accompanying notes included in the Company's Form 10-K filed with the Commission on March 10, 2011. The results of operations for the interim periods are not necessarily indicative of the results for the full year. In management's opinion all adjustments necessary for a fair presentation of the Company's financial statements are reflected in the interim periods included, and are of a normal recurring nature.

GEOPULSE EXPLORATIONS INC.

(A Pre-Exploration Stage Company)

FINANCIAL STATEMENTS

Period Ended

April 30, 2011

	PAGE
BALANCE SHEETS	4
STATEMENTS OF OPERATIONS	5
STATEMENTS OF CASH FLOWS	6-7
NOTES TO THE FINANCIAL STATEMENTS	8-10

GEOPULSE EXPLORATION INC.
(Pre-Exploration Stage Company)
BALANCE SHEETS

	April 30, 2011	January 31, 2011
ASSETS		
Current Assets:		
Cash	\$ 19,435	\$ 4,472
Total Current Assets	19,435	4,472
TOTAL ASSETS	\$ 19,435	\$ 4,472
LIABILITIES AND STOCKHOLDERS DEFICIENCY		
Current Liabilities:		
Advances - related party	\$ 1,026	\$ 1,026
Accounts payable and accrued expenses	8,463	3,733
Note payable	20,000	-
TOTAL CURRENT LIABILITIES	29,489	4,759
Commitments and contingencies	-	-
Stockholders' Deficiency:		
Common stock, \$0.001 par value, 1,000,000,000 shares authorized, 136,180,000 shares issued and outstanding at April 30, 2011 and January 31, 2011, respectively	136,180	136,180
Additional paid in capital	(5,308)	(5,308)
Deficit accumulated during the Pre-Exploration Stage	(140,926)	(131,159)
TOTAL STOCKHOLDERS DEFICIENCY	(10,054)	(287)
TOTAL LIABILITIES AND STOCKHOLDERS DEFICIENCY	\$ 19,435	\$ 4,472

The accompanying notes are an integral part of these financial statements

GEOPULSE EXPLORATION INC.
(Pre-Exploration Stage Company)
STATEMENTS OF OPERATIONS

	For the three months ended		From Inception (August 13, 2004) to
	April 30, 2011	April 30, 2010	April 30, 2011
Revenues	\$ -	\$ -	\$ -
Expenses			
General and administrative	9,433	7,550	140,592
Net Loss from Operations	(9,433)	(7,550)	(140,592)
Other Expenses			
Interest Expense	(334)	-	(334)
Net Loss	(9,767)	(7,550)	(140,926)
Weighted average number of shares outstanding - basic and diluted	136,180,000	26,180,000	
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.00)	

The accompanying notes are an integral part of these financial statements

GEOPULSE EXPLORATION INC.
(Pre-Exploration Stage Company)
STATEMENTS OF CASH FLOWS

	For the three months ended		From Inception
	April 30, 2011	April 30, 2010	(August 13, 2004) to April 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (9,767)	\$ (7,550)	\$ (140,926)
Adjustments to reconcile net loss to net cash used in operating activities:			
Changes in operating assets and liabilities:			
Accounts payable and accrued expenses	4,730	5,625	8,463
Net cash (used in) provided by operating activities	(5,037)	(1,925)	(132,463)
CASH FLOWS FROM INVESTING ACTIVITIES:			
	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the issuance of common stock	-	-	62,973
Proceeds from note payable	20,000	-	20,000
Advances from related parties	-	1,026	68,925
Net cash provided by financing activities	20,000	1,026	151,898
			-
CHANGE IN CASH	14,963	(899)	19,435
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD			
	4,472	1,174	-
			-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 19,435	\$ 275	\$ 19,435
			-
<u>Supplemental disclosures of cash flow information:</u>			
Cash paid for income taxes	\$ -	\$ -	\$ -
Cash paid for interest expense	\$ -	\$ -	\$ -

Supplemental disclosure of non cash financing activities:

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Payment of Company debt by officers and directors	\$	-	\$	-	\$	67,899
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The accompanying notes are an integral part of these financial statements

GEOPULSE EXPLORATION INC.

(Pre-Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

1.

ORGANIZATION

The Company was incorporated under the laws of the state of Nevada on August 13, 2004.

The Company was organized for the purpose of acquiring and developing mineral claims. During fiscal year 2011, the Company's previous mining claims lapsed, and the Company shifted its business model to look for merger possibilities, and thus entered the Development Stage. Subsequent to January 31, 2011, the Company acquired two mining claims, and is now considered to be a pre-exploration stage company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The Company recognizes income and expenses based on the accrual method of accounting.

Dividend Policy

The Company has not yet adopted a policy regarding payment of dividends.

Financial Instruments

The carrying amounts of financial instruments are considered by management to be their estimated fair values due to their short term maturities.

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect, when the differences are expected to reverse. An allowance against deferred tax assets is recorded, when it is more likely than not, that such tax benefits will not be realized.

On April 30, 2011, the Company had a net operating loss carryforward of \$ 140,926. The income tax benefit of approximately \$ 49,000 has been fully offset by a valuation reserve because the use of the future tax benefit is doubtful. The net operating loss will begin to expire in 2024.

Foreign Currency Translations

Part of the transactions of the Company were completed in Canadian dollars and have been translated to US dollars as incurred, at the exchange rate in effect at the time, and therefore, no gain or loss from the translation is recognized. The reporting and functional currency is US dollars.

Mineral Property Acquisition and Exploration Costs

Mineral property acquisition costs are initially capitalized when incurred. These costs are then assessed for impairment when factors are present to indicate the carrying costs may not be recoverable. Mineral exploration costs are expensed when incurred.

Revenue Recognition

Revenue is recognized on the sale and delivery of a product or the completion of a service provided.

Advertising and Market Development

The company expenses advertising and market development costs as incurred.

Financial and Concentrations Risk

The Company does not have any concentration or related financial credit risk.

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

Basic and Diluted Net Income (Loss) Per Share

Basic net income (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Diluted net income (loss) per share amounts are computed using the weighted average number of common shares and common equivalent shares outstanding as if shares had been issued on the exercise of any common share rights. The Company has no outstanding options, warrants or other convertible instruments that could affect the calculated number of shares.

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentation.

Recent Accounting Pronouncements

The Company does not expect that the adoption of other recent accounting pronouncements will have a material impact on its financial statements.

3. NOTE PAYABLE

The Company completed a line of credit agreement to borrow up to \$250,000. The terms of the agreement provide for 10% interest to be accrued from the date of any amounts received with repayment of any amount requested due within four months of the request. If the Company is unable to repay the loan within the four month timeframe, the lender will be allowed to exchange every \$.07 of debt into one common share of the Company stock at the election of the lender. As of April 30, 2011, the Company has received \$20,000 on this line of credit and has accrued interest payable of \$334.

4. CAPITAL STOCK

During 2005 and 2006 the Company issued 20,900,000 common shares for \$19,000 and 5,280,000 common shares for \$24,000.

On May 24, 2010, the Company issued 110,000,000 common shares to its CEO for cash of \$19,973.

On June 7, 2010, the Company increased the number of its authorized common shares of stock to 1,000,000,000 shares.

On December 13, 2010, the Company approved an 11 for 1 forward stock split. All share references in these financial statements have been retroactively adjusted for this stock split.

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

The Chief Executive Officer of the Company has acquired 91% of the Company's outstanding common stock, and has made advances to the Company of \$1,026. These advances are non-interest bearing and payable on demand.

Previous officers and directors have paid Company debt of \$67,899.

6. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company does not have sufficient working capital for its planned activity, and to service its debt, which raises substantial doubt about its ability to continue as a going concern.

Continuation of the Company as a going concern is dependent upon obtaining additional working capital and the management of the Company has developed a strategy, which it believes will accomplish this objective through short term loans from an officer-director, and additional equity investment, which will enable the Company to continue operations for the coming year.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

SPECIAL NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

CERTAIN STATEMENTS IN THIS REPORT, INCLUDING STATEMENTS IN THE FOLLOWING DISCUSSION, ARE WHAT ARE KNOWN AS "FORWARD LOOKING STATEMENTS", WHICH ARE BASICALLY STATEMENTS ABOUT THE FUTURE. FOR THAT REASON, THESE STATEMENTS INVOLVE RISK AND UNCERTAINTY SINCE NO ONE CAN ACCURATELY PREDICT THE FUTURE. WORDS SUCH AS "PLANS," "INTENDS," "WILL," "HOPES," "SEEKS," "ANTICIPATES," "EXPECTS "AND THE LIKE OFTEN IDENTIFY SUCH FORWARD LOOKING STATEMENTS, BUT ARE NOT THE ONLY INDICATION THAT A STATEMENT IS A FORWARD LOOKING STATEMENT. SUCH FORWARD LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING OUR PLANS AND OBJECTIVES WITH RESPECT TO THE PRESENT AND FUTURE OPERATIONS OF THE COMPANY, AND STATEMENTS WHICH EXPRESS OR IMPLY THAT SUCH PRESENT AND FUTURE OPERATIONS WILL OR MAY PRODUCE REVENUES, INCOME OR PROFITS. NUMEROUS FACTORS AND FUTURE EVENTS COULD CAUSE THE COMPANY TO CHANGE SUCH PLANS AND OBJECTIVES OR FAIL TO SUCCESSFULLY IMPLEMENT SUCH PLANS OR ACHIEVE SUCH OBJECTIVES, OR CAUSE SUCH PRESENT AND FUTURE OPERATIONS TO FAIL TO PRODUCE REVENUES, INCOME OR PROFITS. THEREFORE, THE READER IS ADVISED THAT THE FOLLOWING DISCUSSION SHOULD BE CONSIDERED IN LIGHT OF THE DISCUSSION OF RISKS AND OTHER FACTORS CONTAINED IN THIS REPORT ON FORM 10-Q AND IN THE COMPANY'S OTHER FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. NO STATEMENTS CONTAINED IN THE FOLLOWING DISCUSSION SHOULD BE CONSTRUED AS A GUARANTEE OR ASSURANCE OF FUTURE PERFORMANCE OR FUTURE RESULTS.

Background

Geopulse Exploration, Inc. was incorporated on August 13, 2004 under the laws of the state of Nevada. We previously owned one mineral claim known as the CATH 1 Claim, located in British Columbia, Canada. From the date of our incorporation to the present, we have not received any revenues from operations and we have been dependent upon obtaining financing to pursue exploration activities. However, we were unable to obtain the necessary financing to pursue exploration activities, and as of October 17, 2008, the CATH 1 Claim expired and we elected not to renew it.

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As reported in a Current Report on Form 8-K dated February 22, 2011, on February 22, 2011, the the Director of the State of Utah School and Institutional Trust Lands Administration officially approved the Registrant s Applications for two metalliferous mineral leases. Lease Application 1 covers a 640 acre parcel of land located in Section 16, Township T30S, Range25E, SLB Meridian located in San Juan County, Utah. Lease Application 2 covers a 340 acre parcel of land located in Section 16, Township 29 South, Range 26, East, SLB Meridian located in San Juan County, Utah. The properties were acquired by the Registrant to expand their asset base and further future possible exploration work.

Metalliferous mineral properties are leased for a 10-year term by competitive filing with the State of Utah, School and Institutional Trust Lands Administration. Minimum annual rental, regardless of acreage is \$500.00 or \$1.00 per acre, whichever is larger. The metalliferous mineral leases carry a royalty rate of eight (8%) for fissionable metalliferous minerals and four (4%) for non-fissionable metalliferous minerals.

Plan of Operation

We have not commenced the exploration stage of our business and can provide no assurance that we will discover economic mineralization on our properties, or if such minerals are discovered, that we will enter into commercial production.

For the fiscal year ending January 31, 2012, our plan of operation is to seek to commence phase one of an exploration program on one or both of our mineral leases. Phase one of the exploration program is expected to consist of mapping, prospecting and geochemical sampling of the properties. Following completion of the phase one exploration program we will review the results and any recommendations provided by the consulting geologist and make a determination as to whether to proceed with a second phase of exploration. If it is determined that the results from the first phase of exploration justify a second phase, it will also be necessary to make a decision regarding the nature and extent of phase two of the exploration program and to establish a budget for the second phase.

Before proceeding with commencement of the proposed phase one exploration program, we intend to obtain an estimate for the cost of completion of such an exploration program. As of April 30, 2011, we have approximately \$19,435 of cash on hand. However, we believe these funds will be needed to pay basic operating costs and costs associated with preparation and filing of required periodic reports. Therefore, before proceeding with commencement of the proposed phase one exploration program, we anticipate that we will also need to obtain sufficient additional financing to cover the associated costs.

Liquidity and Capital Resources

As of April 30, 2011, the Company is in the pre-exploration stage. Its balance sheet reflects total assets of \$19,435, all in the form of cash, and total current liabilities of \$29,489. We currently have a deficit accumulated in the pre-exploration stage of \$(140,926).

As reported in a Current Report on Form 8-K dated February 22, 2011, on February 22, 2011, Company entered into an unsecured Line of Credit Agreement (the "Line of Credit") with Rampoldi, Inc. (the "Rampoldi") for a Line of Credit totaling \$250,000. Pursuant to the terms of the Line of Credit, Rampoldi will provide the Company with cash advances as requested by the Company, in an aggregate amount up to \$250,000. The cash advances will bear interest at a rate of 10% per annum beginning on the date the proceeds of each cash advance are delivered to the Registrant. The Line of Credit does not have a set maturity date, but Rampoldi has the right to request repayment of the cash advances at anytime. In the event Rampoldi requests the repayment of a cash advance, the Company has four months in which to repay the outstanding principal and interest due under such cash advance. In the event the Company is

unable to fulfill any repayment request within the specified four month period, Rampoldi then has the right to elect to convert every \$0.07 of outstanding debt due under the cash advance into one share of the Company's common stock.

The proceeds of the cash advances are intended to be used for operating capital of the Company.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

ITEM 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable.

ITEM 4T.

CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

The Securities and Exchange Commission defines the term "disclosure controls and procedures" to mean a company's controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company maintains such a system of controls and procedures in an effort to ensure that all information which it is required to disclose in the reports it files under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms and that information required to be disclosed is accumulated and communicated to principal executive and principal financial officers to allow timely decisions regarding disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are designed to provide reasonable assurance of achieving the objectives of timely alerting them to material information required to be included in our periodic SEC reports and of ensuring that such information is recorded, processed, summarized and reported within the time periods specified. Our principal executive officer and principal financial officer also concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance of the achievement of these objectives.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting during the period ended April 30, 2011, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II-OTHER INFORMATION

ITEM 1.

LEGAL PROCEEDINGS.

The Company is not a party to any pending legal proceedings, and no such proceedings are known to be contemplated. No director, officer or affiliate of the Company, and no owner of record or beneficial owner of more than 5.0% of the securities of the Company, or any associate of any such director, officer or security holder is a party adverse to the Company or has a material interest adverse to the Company in reference to pending litigation.

ITEM 1A.

RISK FACTORS.

Not Applicable.

ITEM 2.

UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None

ITEM 3.

DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4.

(REMOVED AND RESERVED).

ITEM 5.

OTHER INFORMATION.

None.

ITEM 6.

EXHIBITS.

(a)

The following exhibits are filed herewith:

31.1

Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2

Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1

Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2

Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GEOPULSE EXPLORATION INC.

/S/ Massimiliano Farneti

Director, Principal Executive Officer, Principal Financial Officer, and Principal Accounting Officer

Date: June 6, 2011