AMERICAN INTERNATIONAL VENTURES INC /DE/
Form 10QSB
April 21, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(Mark One)

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES

EXCHANGE ACT OF 1934 for the period ended February 28, 2005

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES

EXCHANGE Act of 1934 for the transition period from ___ to ___.

Commission File Number 0-30368

**American International Ventures, Inc**.

-------------------------------------------

(Name of Small Business Issuer in its charter)

| | |
|---|---|
| Delaware | 22-3489463 |
| ------------------------------ | -------------------------- |
| (State or other jurisdiction of | (I.R.S. Employer Identification no.) |
| | incorporation or organization) |

6 Glory Lane, Wantage, New Jersey 07461-0326

-------------------------------------------

(Address of principal executive offices)

973-875-3005

-----------------------------------------------

(Registrant's telephone number, including area code)

260 Garibaldi Avenue, Lodi, New Jersey 07644

--------------------------------------------------

(Former address, if changed from last report)

Securities registered under Section 12 (b) of the Act:

| Title of each class to be registered | Name of exchange on which each class is to be registered |
|---|---|
| None | None |

Securities registered under Section 12(g) of the Act:

Common Stock

-------------

(Title of Class)

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 proceeding 12 months and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes: [X] No: [ ]

(2) Yes: [X] No: [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of April 1, 2005 is 18,660,210 shares of Common Stock, $.00001 par value.

Transitional Small Business Issuer Format (Check One):

Yes: No: [X]

Page Number

PART I FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited):

**AMERICAN INTERNATIONAL VENTURES, INC.**

**(An Exploration Stage Company)**

**BALANCE SHEETS**

**ASSETS**

February 28, 2004

May 31, 2004

(Unaudited)

(Audited)

**Current Assets**

Cash

$ 65,504

$ 118,622

Prepaid expense

150

150

**Total current assets**

65,654

118,772

**Fixed Assets**

Office furniture and equipment

11,567

11,567

Less, accumulated depreciation

11,567

11,165

**Net fixed assets**

-

402

**Other Assets**

Mineral rights

8,671

3,273

**Total other assets**

8,671

3,273

**TOTAL ASSETS**

$ 74,325

$ 122,447

**LIABILITIES AND STOCKHOLDERS EQUITY**

**Current Liabilities**

Accounts payable and accrued expenses

$ 26,846

$ 2,726

**Total current liabilities**

26,846

2,726

**Stockholders Equity**

Common stock authorized, 50,000,000

shares of $.00001par value; issued 19,896,710

and 18,660,210 shares respectively

198

186

Capital in excess of par value

1,924,379

1,827,576

Accumulated deficit

(738,984)

(738,984)

Deficit Accumulated During Development Stage

(330,982)

(161,925)

Common stock held in treasury - 1,751,666

shares, at cost

(807,132)

(807,132)

**Total stockholders equity**

47,479

119,721

**TOTAL LIABILITIES AND**

**STOCKHOLDERS EQUITY**

$ **7**4,325

$ 122,447

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

#

**AMERICAN INTERNATIONAL VENTURES, INC.**

**(An Exploration Stage Company)**

**STATEMENTS OF OPERATIONS AND DEFICIT ACCUMULATED DURING EXPLORATION STAGE**

**For the Three Month Periods Ended February 28,**

**(Unaudited)**

June 1, 2003 to

2005

2004 February 28, 2005

Revenue

$ -

$ -

$ -

Administrative Expenses

31,650(A)

31,165(A)

391,280

Operating loss

(31,650)

(31,165)

(391,280)

Other Income and Expense

Interest income

52

131

539

Interest expense

-

(126)

(206)

Gain on sales of securities

-

23,099

59,965

Loss accumulated during exploration stage

(31,598)

(8,061)

(330,982)

Other Comprehensive Loss:

Holding gain on securities sold

during the period

-

2,799

Reclassification adjustment for gain

included in net loss

-

(23,099)

Total other comprehensive loss

-

(20,300)

Total Comprehensive Loss

$( 31,598)

$( 28,361)

Loss Per Share:

Basic and Diluted

$ -

$ -

Weighted Average Number of Shares Outstanding

19,405,677

15,598,544

(A) Includes the following expenses:

| | | |
|---|---|---|
| Geological fees and drilling cost | $ 1,000 | $ 7,824 |
| Professional fees | 15,057 | 10,014 |
| Officer compensation | 3,480 | - |

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

#

**AMERICAN INTERNATIONAL VENTURES, INC.**

**(An Exploration Stage Company)**

**STATEMENTS OF OPERATIONS AND DEFICIT ACCUMULATED DURING**

**EXPLORATION STAGE**

**For the Nine Month Periods Ended February 28,**

**(Unaudited)**

June 1, 2003

(Date of Inception of Exploration Stage) to

2005

2004 February 28, 2005

Revenue

$ -

$ -

$ -

Administrative Expenses

169,295(A)

77,062(A)

391,280

Operating loss

(169,295)

(77,062)

(391,280)

Other Income and Expense

Interest income

238

176

539

Interest expense

-

(206)

(206)

Gain on sales of securities

-

59,965

59,965

Loss accumulated during exploration stage

(169,057)

(17,127)

$(330,092)

Other Comprehensive Income:

Holding gain on securities sold

during the period

-

(335)

Reclassification adjustment for gain

included in net loss

-

(59,965)

Total other comprehensive income (loss)

-

(60,300)

Total Comprehensive Loss

$(169,057)

$ (77,427)

Loss Per Share:

Basic and Diluted

$(.01)

$ -

Weighted average number of shares outstanding

19,059,226

17,184,610

(A)

Includes the following expenses:

Geological fees and drilling cost

$ 62,828

$ 16,415

Professional fees

61,352

39,222

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

**AMERICAN INTERNATIONAL VENTURES, INC.**

**(An Exploration Stage Company)**

**STATEMENTS OF CASH FLOWS**

**For the Nine Month Periods Ended February 28,**

**(Unaudited)**

June 1, 2003

(Date of Inception of Exploration Stage) to

2005

2004 February 28, 2005

**Cash Flows From Operations:**

Net loss from continuing operations

$(169,057) $ (17,127)

$(330,982)

Adjustments to reconcile net loss to net cash

consumed by operating activities:

Depreciation

402 1,734

2,714

Value of options granted for services

10,260

-

-

Changes in current assets and liabilities:

Increase (decrease) in accounts payable and

accrued liabilities

24,120

(19,726)

30,952

Value of stock issued for services

-

-

59,925

Discontinued operations

-

-

(3,662)

Net cash consumed by operating activities

(134,275) (35,119)

(241,053)

**Cash Flows From Investing Activities:**

Investment in mineral rights

(5,398)

-

(5,398)

Net cash consumed by investing activities

(5,398) -

(5,398)

**Cash Flows From Financing Activities:**

Proceeds of sales of common stock

86,555

-

226,630

Decrease in stockholder advances

-

-

(143)

Net cash provided by financing activities

86,555

-

226,487

Net increase (decrease) in cash

(53,118)

(35,119)

(19,964)

Cash balance, beginning of period

118,622

85,468

85,468

Cash balance, end of period

$ 65,504 $ 50,349

$ 65,504

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

**AMERICAN INTERNATIONAL VENTURES, INC.**

**(An Exploration Stage Company)**

**NOTES TO FINANCIAL STATEMENTS**

**February 28, 2005**

**(Unaudited)**

**1.**

**BASIS OF PRESENTATION**

The unaudited interim financial statements of American International Ventures, Inc. and its subsidiary ("the Company") as of February 28, 2005 and for the three and nine month periods ended February 28, 2005 and February 29, 2004, have been prepared in accordance accounting principles generally accepted in the United States of America. In the opinion of management, such information contains all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for such periods. The results of operations for the nine months ended February 29, 2005 are not necessarily indicative of the results to be expected for the full fiscal year ending May 31, 2005.

Certain information and disclosures normally included in the notes to financial statements have been condensed or omitted as permitted by the rules and regulations of the Securities and Exchange Commission, although the Company believes the disclosure is adequate to make the information presented not misleading. The accompanying unaudited financial statements should be read in conjunction with the financial statements of the Company for the year ended May 31, 2004.

**2.**

**SUPPLEMENTARY CASH FLOWS INFORMATION**

There was no cash paid for income taxes during either of the periods presented. Similarly, there was no payment for interest during the 2005 period; during the 2004 period, interest payments totaled $206.

#

**Item 2. Management's Discussion and Analysis**.

The Company is an exploration stage company engaged in the acquisition, exploration, and development of mineral properties. The Company has acquired patented and unpatented mining claims located in Nye County, Nevada, known as the Bruner claims. In December 2004, the Company entered into an option agreement to acquire 10 unpatented mining claims in Lemhi County, Idaho comprising approximately 200 acres. The Company intends to carry out a geological study and exploration work on its properties in order to ascertain whether the properties possess commercially exploitable quantities of gold and silver. Please refer to the Company s Annual Report on Form 10-KSB for the period ending May 31, 2004 for a broader description of the Company s business and its proposed operations on the Bruner claims. Under the option agreement for the Idaho claims, the Company is required to pay the current owner the sum of $30,000 in staged payments over a four year period and incur exploration expenditures in the aggregate of $200,000 during the same period. Upon meeting the requirements, the Company may elect to acquire the current owner's rights to the mining claims, subject to paying the current owner a two percent net smelter return royalty with advance annual royalty payments of $20,000 commencing on December 1, 2009. The Company may purchase one half of the net smelter return royalty by paying the current owner prior to December 1, 2009 the sum of $250,000 less any royalty payments made by the Company. If so acquired by the Company, it also may purchase half of the remaining net smelter return royalty by paying the current owner the sum of $250,000 at any time.

The Company s projected capital expenditures for the next 12 months approximates $410,000 as described below. The Company s plan of operations for this period consists of: conducting additional geological studies on its properties; identifying other mining properties for acquisition; and subject to obtaining additional financing conduct additional drilling on deep targets at the Bruner claims.

During the most recent quarter, an independent registered professional geological consultant to Company completed a comprehensive review of the existing data for the Bruner claims including data recently received by the Company compiled by the prior owners of the claims. The purpose of the study was to identify prospective targets for additional drilling. The consultant concluded that the geological character of the Bruner property and the exploration concepts generated by this review warrant additional exploration, and proposed a two-phased exploration program for the Bruner property. The first part of phase one will consist of collecting additional samples and defining targets for exploratory drill holes. The estimated cost for these endeavors is $36,714. The second part of phase one will consist of permitting and drilling ten 1,200-foot deep reverse circulation holes at an estimated cost of $232,635. If the phase one drill program proves successful in identifying vein mineralization, phase two will consist of drilling twenty 1,200-foot deep holes to test the vein mineralization found in the phase one program. The estimated cost for phase two is $660,420. At this time, the Company believes that it would consider a joint venture with a n industry partner to complete the phase two drilling program and to further develop the Bruner property. The Company also has developed a preliminary exploration program for the Idaho mining claims consisting of conducting limited on site soil and rock sampling and ground geophysics in order to define targets for exploratory drill holes. The projected cost of these endeavors is $20,000. In addition, in order to maintain its option on the Idaho claims, it will be required to make a payments to the current holder of $7,500 during the 12 month period. The Company s ability to complete its planned exploration work as described above is subject to the Company obtaining financing for these endeavors..

The Company presently is evaluating the acquisition of certain other exploration properties with identified mineralized material and drilling targets. However, the Company cannot predict if it will be successful in acquiring these targets or exactly what level of expenditures will be required.

In addition to the capital requirements above, the Company has budgeted $70,000 for the current fiscal year for corporate overhead, including payment of consulting fees to the Company s President, with the remainder allocated for legal, accounting, and miscellaneous expenditures. Legal fees include amounts projected for its ongoing litigation with its former officers and directors. In June 2003, the Company entered into an agreement with a consultant, who is now its President, pursuant to which the Company has agreed to pay the officer $1,400 per month. The agreement expires at the end of calendar year 2004. As of February 28, 2005, $23,540 in fees remains unpaid and has been accrued. Other than as indicated above, the Company has no other projected capital expenditures.

If the Company is able to raise part but not all of its projected working capital needs, it intends to prioritize available capital. The Company will pay its overhead requirements on an as needed basis. Next, it will devote available capital to the Bruner exploration and maintaining its rights to the Idaho claims under the option agreement, based on exploration potential and comparative risk avoidance. Available capital remaining will be allocated towards to identification and exploration of other mining claims. The Company intends to finance its plan of operations through the private placement of its capital stock or through debt financing. At this time, the Company has no commitments for any such financing. No assurances can be given that the Company will be successful in these endeavors. If the Company is unsuccessful in these endeavors, it will have a material adverse impact on Company and its ability to conduct its business in the future.

Risk Factors. See the Company's Annual Report on Form 10-KSB for the period ending May 31, 2004 ( Form 10-KSB ) for additional statements concerning operations and future capital requirements. Certain risks exist with respect to the Company and its business, which risks include: its limited assets, absence of significant operating revenue, and the need for additional capital; lack of established marketing strategy; sale of compatible and remanufactured products; and competition; among other factors. Readers are urged to refer to the section entitled Cautionary Statements in the Company s Form 10-KSB for a broader discussion of such risks and uncertainties.

Item 3. Effectiveness of the registrant s disclosure controls and procedures

(a) Under the supervision and with the participation of management, including the Company s President and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of

December 31, 2004. Based on this evaluation, our President and Chief Financial Officer concluded that our disclosure controls and procedures were effective such that the material information required to be included in our Securities and Exchange Commission ("SEC") reports is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms relating to our reporting obligations, and was made known to them by others within the company, particularly during the period when this report was being prepared.

(b) Changes in internal controls over financial reporting.

In addition, there were no significant changes in our internal control over financial reporting that could significantly affect these controls during our most recent quarter.

## PART II

**Item 1. Legal Proceedings**.

None

**Item 2. Unregistered Sale of Equity Securities and Use of Proceeds**.

During the quarter ended February 28, 2005, the Company sold raised $79,555 in the private placement of its common stock and issued 1,136,500 shares of common stock. Of the total amount, directors of the Company and an affiliate of one director paid $49,525 and acquired 707,500 shares of common stock of the Company. The private placements were exempt from registration pursuant to Section 3(b) and 4(2) of the Securities Act of 1933, as amended (the Act ), including Rule 506 of Regulation D promulgated under the Act. Each recipient of securities in each such transaction was an accredited investor as defined under Regulation D, and represented his or her intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and, appropriate legends were affixed to the share certificates issued in such transactions. No advertisement or general solicitation was used in connection with any offer or sale of such securities.

**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 Reports on Form 8-K**

(a). Furnish the Exhibits required by Item 601 of Regulation S-B.

Exhibit 31 Certification Pursuant To Section 302 Of The Sarbanes-Oxley Act Of 2002.

Exhibit 32 Certification Pursuant To Section 906 Of The Sarbanes-Oxley Act Of 2002.

(b) Reports on Form 8-K.

None

#

SIGNATURES

In accordance with 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.

Dated: April 21, 2005

AMERICAN INTERNATIONAL VENTURES, INC.

/s/ Jack Wagenti

Jack Wagenti

Chief Financial Officer

#