

Geostar Mineral CORP  
Form 10QSB  
September 11, 2007

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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 JULY 31, 2007**

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 333-139986**

**GEOSTAR MINERAL CORPORATION**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**98-0516589**

(IRS Employer Identification No.)

**706 - 15038 101 Avenue  
Surrey, British Columbia  
Canada V3R 0N2**

(Address of principal executive offices, including zip code.)

**(604) 687-3624**

(Registrant's telephone number, including area code)

The Company is a Shell company: Yes  No

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 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

As of August 27, 2007, the Company had 5,511,400 shares of common stock outstanding.

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**INTERIM FINANCIAL STATEMENTS**

Geostar Mineral Corporation  
(An Exploration Stage Company)  
(Unaudited)

July 31, 2007

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Geostar Mineral Corporation  
(An Exploration Stage Company)  
Balance Sheets  
(Unaudited)

	July 31, 2007	October 31, 2006
<b>ASSETS</b>		
Current Assets		
Cash	\$ 31,510	\$ 600
Total Assets	\$ 31,510	\$ 600
 <b>LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)</b>		
Current Liabilities		
Accounts Payable	\$ 3,603	\$ -
Due to related parties	13,259	13,184
Total Liabilities	16,862	13,184
Stockholders Equity (Deficit)		
Preferred stock, 100,000,000 shares authorized, \$0.00001 par value none issued and outstanding	-	-
Common stock, 100,000,000 shares authorized, \$0.00001 par value 5,511,400 and 5,000,000 shares issued and outstanding, respectively	55	50
Additional paid-in capital	556,085	500,450
Deficit accumulated during the exploration stage	(541,492)	(513,084)
Total Stockholders Equity (Deficit)	14,648	(12,584)
Total Liabilities and Stockholders Equity (Deficit)	\$ 31,510	\$ 600

See accompanying summary of accounting policies and notes to financial statements

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Geostar Mineral Corporation  
 (An Exploration Stage Company)  
 Statements of Operations  
 For the Three and Nine Months Period Ended July 31, 2007 and the Period from  
 September 12, 2006 (Inception) Through July 31, 2007  
 (Unaudited)

	For the Three Months Ended July 31, 2007	For the Nine Months Ended July 31, 2007	September 12, 2006 (Inception) through July 31, 2007
Operating Expenses			
Compensation expense	\$ -	\$ -	\$ 499,950
Consulting services	750	2,250	2,500
General and administrative	8,606	9,222	11,856
Rent	750	2,250	2,500
Legal and accounting	4,500	14,686	24,686
Total Expenses	14,606	28,408	541,492
Net Loss	\$ (14,606)	\$ (28,408)	\$ (541,492)
Net Loss Per Common Share Basic and Diluted	\$ (0.00)	\$ (0.01)	
Weighted Average Number of Common Shares Outstanding	5,511,400	5,202,100	

See accompanying summary of accounting policies and notes to financial statements

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Geostar Mineral Corporation  
(An Exploration Stage Company)  
Statements of Cash Flows

For the Nine Month Period Ended July 31, 2007 and the Period from  
September 12, 2006 (Inception) Through July 31, 2007  
(Unaudited)

	For the Nine Months Ended July 31, 2007	September 12, 2006 (Inception) through July 31, 2007
Operating Activities		
Net loss	\$ (28,408)	\$ (541,492)
Adjustments to reconcile net loss to cash used in operating activities:		
Stock based compensation	-	499,950
Contributed rent and consulting services	4,500	5,000
Change in:		
Accounts payable	3,603	3,603
Due to related parties	75	13,259
Net Cash Used in Operating Activities	(20,230)	(19,680)
Net Cash Provided by Financing Activities		
Proceeds from the sale of common stock	51,140	51,190
Increase in Cash	30,910	31,510
Cash - Beginning of Period	600	-
Cash - End of Period	\$ 31,510	\$ 31,510
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for :		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

See accompanying summary of accounting policies and notes to financial statements

Geostar Mineral Corporation  
 (An Exploration Stage Company)  
 Statement of Changes in Stockholders' Deficit  
 For the Period From September 12, 2006 (Inception) Through July 31, 2007  
 (Unaudited)

	Common Stock		Additional	Deficit	
	Shares	Amount	Paid-in	Accumulated	Total
			Capital	During the	
				Exploration	
				Stage	
Balances at September 12, 2006 (Inception)		\$	\$	\$	\$
Issuance of common stock for cash at \$0.00001 per share	5,000,000	50			50
Stock based compensation			499,950		499,950
Donated services			500		500
Net loss				(513,084)	(513,084)
Balances at October 31, 2006	5,000,000	50	500,450	(513,084)	(12,584)
Issuance of common stock for cash at \$0.10 per share	511,400	5	51,135		51,140
Donated services			4,500		4,500
Net loss				(28,408)	(28,408)
Balances at July 31, 2007	5,511,400	\$ 55	\$ 556,085	\$ (541,492)	\$ 14,648

See accompanying summary of accounting policies and notes to financial statements

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Geostar Mineral Corporation  
(An Exploration Stage Company)  
Notes to the Financial Statements  
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited interim financial statements of Geostar have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with Geostar's audited 2006 annual financial statements and notes thereto. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements, which would substantially duplicate the disclosure required in Geostar's 2006 annual financial statements have been omitted.

NOTE 2 - GOING CONCERN

These financial statements have been prepared on a going concern basis, which implies Geostar will continue to meet its obligations and continue its operations for the next fiscal year. Realization value may be substantially different from carrying values as shown and these financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should Geostar be unable to continue as a going concern. As at July 31, 2007, Geostar has a working capital deficiency, has not generated revenues and has accumulated losses of \$541,492 since inception. The continuation of Geostar as a going concern is dependent upon the continued financial support from its shareholders, the ability of Geostar to obtain necessary equity financing to continue operations, and the attainment of profitable operations. These factors raise substantial doubt regarding the Geostar's ability to continue as a going concern.

NOTE 3 - RELATED PARTY TRANSACTIONS

- a) During the nine month period ended July 31, 2007, the Company recognized a total of \$2,250 for donated services at \$250 per month for nine months for donated rent and \$2,250 for consulting services at \$250 per month for nine months provided by the President and Director of the Company. These transactions are recorded at the exchange amount which is the amount agreed to by the transacting parties.
- b) On July 31, 2007, Geostar owed the President and Director of Geostar \$13,259 for expenses paid on behalf of Geostar and for cash advances. This amount is unsecured, non interest bearing, and has no specific terms for repayment.

NOTE 4 - COMMON STOCK

- a) On January 3, 2007, the Company issued 111,000 shares of common stock at \$0.10 per share for cash proceeds of \$11,100.
- b)

- On April 16, 2007, the Company issued 96,000 shares of common stock at \$0.10 per share for cash proceeds of \$9,600.
- c) On April 30, 2007, the Company issued 304,400 shares of common stock at \$0.10 per share for cash proceeds of \$30,440.

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## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**

This Form 10-QSB for the period ended July 31, 2007 includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

### **Plan of Operation**

We are a start-up, exploration stage corporation and have not yet generated or realized any revenues from our business operations.

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated any revenues and no revenues are anticipated until we begin removing and selling minerals. There is no assurance we will ever reach this point. In April 2007, we raised \$51,140 in our public offering of common stock. It should last 12 months.

We will be conducting research in the form of exploration of the property. Our exploration program is explained in as much detail as possible in the business section of our prospectus. We are not going to buy or sell any plant or significant equipment during the next twelve months.

The property is located 170 miles east of Vancouver, near Beaverdell on the West Kettle River. The property is in the Greenwood Mining Division, and is centered at approximately 49°22' N latitude and 119°06' W. longitude. The Beaverdell community lies 3 miles to the north, on Highway 33; Kelowna and the junction with Highway 97 lies 50 miles to the north, while Rock Creek and the junction of Highways 3 and 33 is 27 miles to the south. A network of secondary roads, including the rail bed of the abandoned Kettle River Railway access most parts of the property. The property is situated within the Monashee Mountains and elevations range from 2,500 feet along the West Kettle River to 3,200 feet at the northwestern edge of the property.

Our exploration target is to find mineralized material. Mineralized material is a mineralized body, which has been delineated by appropriate spaced drilling or underground sampling to support sufficient tonnage and average grade of metals to justify removal. This includes a determination by our consultant if the property contains reserves. We have not selected a consultant as of the date of this report. If we don't find mineralized material or we cannot remove mineralized material, either because we do not have the money to do it or because it is not economically feasible to do it, we will cease operations and you will lose your investment.

In addition, we may not have enough money to complete our exploration of the property. If it turns out that we have not raised enough money to complete our exploration program, we will try to raise additional funds from a



second public offering, a private placement or loans. At the present time, we have not made any plans to raise additional money and there is no assurance that we would be able to raise additional money in the future. In we need additional money and can't raise it, we will have to suspend or cease operations.

We must conduct exploration to determine what amount of minerals, if any, exist on our properties and if any minerals which are found can be economically extracted and profitably processed.

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The property is undeveloped raw land. We intend to start exploration operations in 90 days after the completion of our public offering, weather permitting. To our knowledge, the property has never been mined. The only event that has occurred is the staking of the property by Madman Mining Co. and a physical examination of the property by Mr. Protskiv, our president and director. The registering the cells was included in the \$2,200 paid to Madman Mining Co. No additional payments were made or are due to Madman Mining Co. for its services. The claims were recorded in Mr. Protskiv's name to avoid incurring additional costs at this time. The additional fees would be for incorporation of a British Columbia corporation and legal and accounting fees related to the incorporation. On November 3, 2006, Mr. Protskiv executed a declaration of trust acknowledging that he holds the property in trust for us and he will not deal with the property in any way, except to transfer the property to us. In the event that Mr. Protskiv transfers title to a third party, the declaration of trust will be used as evidence that he breached his fiduciary duty to us. Mr. Protskiv has not provided us with a signed or executed bill of sale in our favor. Mr. Protskiv will issue a bill of sale to a subsidiary corporation to be formed by us should mineralized material be discovered on the property. Mineralized material is a mineralized body, which has been delineated by appropriate spaced drilling or underground sampling to support sufficient tonnage and average grade of metals to justify removal. Before minerals retrieval can begin, we must explore for and find mineralized material. After that has occurred we have to determine if it is economically feasible to remove the mineralized material. Economically feasible means that the costs associated with the removal of the mineralized material will not exceed the price at which we can sell the mineralized material. We can't predict what that will be until we find mineralized material. Mr. Protskiv does not have a right to sell the property to anyone. He may only transfer the property to us. He may not demand payment for the claims when he transfer them to us. Further, Mr. Protskiv does not have the right to sell the claims at a profit to us if mineralized material is discovered on the property. Mr. Protskiv must transfer title to us, without payment of any kind, regardless of what is or is not discovered on the property.

We do not know if we will find mineralized material. We believe that activities occurring on adjoining properties are not material to our activities. The reason is that what ever is located under adjoining property may or may not be located under our property.

We do not claim to have any minerals or reserves whatsoever at this time on any of our property.

We intend to implement an exploration program which consists of core sampling. Core sampling is the process of drilling holes to a depth of up to 300 feet in order to extract a samples of earth. Mr. Protskiv, after confirming with our consultant, will determine where drilling will occur on the property. Mr. Protskiv will not receive fees for his services. The samples will be tested to determine if mineralized material is located on the property. Based upon the tests of the core samples, we will determine if we will terminate operations; proceed with additional exploration of the property; or develop the property. The proceeds from this offering are designed to only fund the costs of core sampling and testing. We intend to take our core samples to analytical chemists, geochemists and registered assayers located in Vancouver, British Columbia.

We estimate the cost of drilling will be \$20 per foot drilled. We will drill approximately 3,000 linear feet or 8 holes to depth of 300 feet. We will pay a consultant up to a maximum of \$5,000 per month for his services during the three month period or a total of \$15,000. The total cost for analyzing the core samples will be \$3,000.

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We do not intend to interest other companies in the property if we find mineralized materials. We intend to try to develop the reserves ourselves through the use of consultant. We have no plans to interest other companies in the property if we do not find mineralized material. To pay the consultant and develop the reserves, we will have to raise additional funds through a second public offering, a private placement or through loans. As of the date of this report, we have no plans to raise additional funds other than the funds being raised in our public offering. Further, there is no assurance we will be able to raise any additional funds even if we discover mineralized material and a have a defined ore body.

If we are unable to complete any phase of exploration because we don't have enough money, we will cease operations until we raise more money. If we can't or don't raise more money, we will cease operations. If we cease operations, we don't know what we will do and we don't have any plans to do anything.

We don't intend to hire additional employees at this time. All of the work on the property will be conduct by unaffiliated independent contractors that we will hire. The independent contractors will be responsible for surveying, geology, engineering, exploration, and excavation. The geologists will evaluate the information derived from the exploration and excavation and the engineers will advise us on the economic feasibility of removing the mineralized material.

### **Milestones**

The following are our milestones:

1. 0-90 days from the date of this report. - Retain our consultant to manage the exploration of the property. Cost - \$5,000 to \$15,000. Time of retention 0-90 days. To carry out this milestone, we must hire a consultant. There are a number of mining consultants located in Vancouver, British Columbia that we intend to interview.
2. 90-180 days from the date of this report. - Core drilling. Core drilling will cost \$20.00 per foot. The number of holes to be drilled will be dependent upon the amount raised from the offering. Core drilling we be subcontracted to non-affiliated third parties. Cost - \$60,500 to \$142,000. Time to conduct the core drilling - 90 days. To carry out this milestone we must conduct the core drilling. The driller will be retained by our consultant.
- 3.

180-210 days from the date of this report. - Have an independent third party analyze the samples from the core drilling. Determine if mineralized material is below the ground. If mineralized material is found, we will attempt to define the ore body. We estimate that it will cost \$3,000 to analyze the core samples and will take 30 days. Delivery of the samples to the independent third party is necessary to carry out this milestone.

The cost of the subcontractors is included in cost of the exploration services to be performed as set forth in the Use of Proceeds section and the Business section. All funds for the foregoing activities will be obtained from this public offering.

### **Limited Operating History; Need for Additional Capital**

There is no historical financial information about us upon which to base an evaluation of our performance. We are an exploration stage corporation and have not generated any revenues from operations. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources, possible delays in the exploration of our properties, and possible cost overruns due to price and cost increases in services.

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To become profitable and competitive, we must remove and sell mineralized material. We believe that the funds raised from our public offering will allow us to operate for one year.

### **Liquidity and Capital Resources**

Money that we raised in our public offering will be applied to the items set forth in the Use of Proceeds section of our prospectus. If we find mineralized material and it is economically feasible to remove the mineralized material, we will attempt to raise additional money through a subsequent private placement, public offering or through loans. If we have not raised all of the money we need from our public offering to complete our exploration of the property, we will have to find alternative sources, like a second public offering, a private placement of securities, or loans from our officers or others.

We have the right to explore one property containing four MTO cells. The property is staked and we will begin our exploration plan shortly. As of the date of this report we have not yet generated any revenues.

Since inception, we have issued 5,511,400 shares of our common stock and received \$51,190.

We issued 5,000,000 shares of common stock to our sole officer and director pursuant to the exemption from registration contained in Regulation S of the Securities Act of 1993. The purchase price of the shares was \$50. This was accounted for as an acquisition of shares. Andriy Protskiv covered our initial expenses of \$12,000 for incorporation, accounting and legal fees and \$2,200 for registering the property, all of which was paid directly to our staker, attorney and accountant. The amount owed to Mr. Protskiv is non-interest bearing, unsecured and due on demand. Further the agreement with Mr. Protskiv is oral and there is no written document evidencing the agreement.

During the period ended July 31, 2007, Geostar sold 511,400 shares of common stock at a price of \$0.10 per share for cash proceeds of \$51,140.

As of July 31, 2007, our total assets were \$31,510 and our total liabilities were \$16,862.

**ITEM 3. CONTROLS AND PROCEDURES.**

*Evaluation of Disclosure Controls and Procedures* - Our Principal Executive Officer and Principal Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report, have concluded that, based on the evaluation of these controls and procedures, that our disclosure controls and procedures were effective.

**PART II. OTHER INFORMATION****ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.**

On February 2, 2007, the Securities and Exchange Commission declared our Form SB-2 Registration Statement effective, file number 333-139986, permitting us to offer up to 2,000,000 shares of common stock at \$0.10 per share. There is no underwriter involved in our public offering.

On April 30, 2007, we completed our public offering and raised \$51,140 by selling 511,400 shares of common stock. Since then we have used the proceeds as follows:

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Accounting and Legal Fees	\$	11,024
General and Administrative		8,606
Bank bal as of July 31, 2007		31,510
<b>Total:</b>	<b>\$</b>	<b>51,140</b>

**ITEM 6. EXHIBITS.**

The following documents are included herein:

<b>Exhibit No.</b>	<b>Document Description</b>
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-15(e) and 15d-15(e), promulgated under the Securities and Exchange Act of 1934, as amended.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Financial Officer).

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**SIGNATURES**

In accordance with Section 13 or 15(d) of the Securities and Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 11<sup>th</sup> day of September, 2007.

**GEOSTAR MINERAL CORPORATION**

BY:

ANDRIY PROTSKIV

Andriy Protskiv, President, Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer, Secretary, Treasurer and Director

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EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Document Description</b>
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-15(a) and 15d-15(e), promulgated under the Securities and Exchange Act of 1934, as amended.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Financial Officer).

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