

BULLDOG TECHNOLOGIES INC
Form 10QSB
April 19, 2006
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended February 28, 2006

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 000-50321

Bulldog Technologies Inc.

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

Nevada

(State or other jurisdiction of incorporation or organization)

98-0377543

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

Riverside Place, Suite 301 11120 Horseshoe Way, Richmond, B.C., Canada V7A 5H7

(Address of principal executive offices)

604.271.8656

(Issuer's telephone number)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2006 and August 31, 2005

(Unaudited Amounts Stated in US Dollars)

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

(Amounts Stated in US Dollars)

	(Unaudited) February 28, <u>2006</u>	August 31, <u>2005</u>
<u>ASSETS</u>		
Current		
Cash	\$ 156,027	\$ 150,263
Short-term investments (Note 4)	1,282,000	464,834
Amounts receivable	76,781	26,526
Prepayment to trade suppliers	122,583	172,196
Inventory (Note 5)	677,473	329,465
Prepaid expenses (Note 8)	193,780	240,483
Total current assets	2,508,644	1,383,767
Property, plant and equipment	575,969	574,075
Deferred financing costs (Note 10)	1,995,090	-
Total Assets	\$ 5,079,703	\$ 1,957,842
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	\$ 495,312	\$ 243,163
Deposit from customer	39,000	-
Liability for warrants subject to registration (Notes 8 and 10)	4,632,862	499,026
Total current liabilities	5,167,174	742,189
Long-term Liabilities		
Convertible notes payable (Note 10)	296,252	-
Total Liabilities	5,463,426	742,189
<u>STOCKHOLDERS EQUITY (CAPITAL DEFICIT)</u>		
Capital Stock (Note 8)		
Preferred stock, par value \$0.001 per share 10,000,000 authorized, none issued		
Common stock, par value \$0.001 per share 100,000,000 authorized 24,655,288 issued (August 31, 2005: 24,047,317 issued)	24,655	24,047
Additional paid-in capital	9,230,052	7,201,210
Accumulated other comprehensive loss - cumulative translation adjustment	298,921	184,999
Deficit accumulated during the development stage	(9,937,351)	(6,194,603)

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Total Stockholders Equity (Capital Deficit)	(383,723)	1,215,653
Total Liabilities and Stockholders Equity (Capital Deficit)	\$ 5,079,703	\$ 1,957,842

SEE ACCOMPANYING NOTES

BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited Amounts Stated in US Dollars)

	Three Months Ended February 28, <u>2006</u>	Three Months Ended February 28, <u>2005</u>	Six Months Ended February 28, <u>2006</u>	Six Months Ended February 28, <u>2005</u>	Cumulative from September 23, 1998 (Date of Inception) to February 28, <u>2006</u>
Revenue	\$ 80,479	\$ -	\$ 80,479	\$ -	\$ 80,479
Cost of revenue	55,603	-	55,603	-	55,603
Gross profits	24,876	-	24,876	-	24,876
Consulting revenue	-	59,810	-	59,810	322,924
Expenses					
General and administrative					
Consulting fees (Note 9)	84,579	122,943	166,500	338,602	1,586,259
Depreciation	45,716	21,168	91,572	36,323	239,533
Office and general	202,959	162,337	402,106	243,806	1,464,841
Professional fees	96,269	88,502	152,831	137,789	719,227
Rent	37,438	32,762	71,963	41,683	299,759
Salaries and wages	573,110	644,957	1,020,074	1,010,635	5,179,718
Trade shows, travel and marketing	86,419	114,964	237,190	244,587	1,030,007
Research and development	239,972	142,918	451,557	242,887	1,638,049
Loss from operations	(1,366,462)	(1,330,551)	(2,593,793)	(2,296,312)	(12,157,393)
Other income (expenses)					
(Loss) /Gain on revaluation of liability for warrants (Note 8(a))	(212,653)	606,527	(720,192)	411,197	3,180,292
Interest income	2,931	18,383	13,882	39,289	71,255
Interest expense	(217,050)	-	(387,827)	-	(425,437)
Loss on settlement of accounts payable	-	-	-	-	(954,000)
Foreign exchange gain (loss) and other	(17,634)	(90,618)	(40,900)	(90,618)	39,106
Amortization of deferred financing cost	(19,397)	-	(38,794)	-	(38,974)
Net loss for the period	\$ (1,805,389)	\$ (736,449)	\$ (3,742,748)	\$ (1,876,634)	\$ (9,937,351)
Basic and diluted loss per share	\$ (0.08)	\$ (0.03)	\$ (0.16)	\$ (0.08)	
Weighted average shares outstanding	24,340,241	23,746,817	24,034,585	23,452,410	

SEE ACCOMPANYING NOTES

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited Amounts Stated in US Dollars)

	Three Months Ended February 28, <u>2006</u>	Three Months Ended February 28, <u>2005</u>	Six Months Ended February 28, <u>2006</u>	Six Months Ended February 28, <u>2005</u>	Cumulative from September 23, 1998 (Date of Inception) to February 28, <u>2006</u>
Net loss	\$ (1,805,389)	\$ (736,449)	\$ (3,742,748)	\$ (1,876,634)	\$ (9,937,351)
Foreign currency translation	56,807	(46,181)	113,922	267,225	298,922
Comprehensive loss	\$ (1,748,582)	\$ (782,630)	\$ (3,628,826)	\$ (1,609,409)	\$ (9,638,429)

SEE ACCOMPANYING NOTES

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Stated in US Dollars)

	Six Months Ended February 28 <u>2006</u>	Six Months Ended February 28 <u>2005</u>	Cumulative from September 23, 1998 (Date of Inception) to February 28, <u>2006</u>
Cash flows used in operating activities:			
Net loss	\$ (3,742,748)	\$ (1,876,634)	\$ (9,937,351)
Adjustments to reconcile net loss to net cash used in			
operating activities:			
Depreciation	91,572	36,323	239,533
Expenses paid by affiliates	-	-	301,303
Amortization of beneficial conversion option	324,985		324,985
Amortization of deferred financing costs	38,794		38,794
Loss (gain) on revaluation of liability for warrants	720,192	(411,197)	(3,180,292)
Issuance of common stock for services	3,428	-	1,600,507
Issuance of common stock for interest expense	41,709	-	41,709
Stock option compensation	64,332	226,685	845,943
Loss on settlement of accounts payable	-	-	954,000
(Increase) decrease in assets			
Amounts receivable	(50,255)	(66,496)	(75,777)
Deposit from customer	39,000	-	39,000
Prepayment to suppliers	49,613	(97,457)	(122,583)
Inventory	(368,873)	(4,955)	(680,270)
Prepaid expenses	46,557	49,043	(95,910)
Increase in accounts payable and accrued liabilities	267,460	132,806	996,194
Net cash used in operating activities	(2,476,934)	(2,011,882)	(8,712,245)
Cash flows provided by (used in) investing			
activities			
Purchase of property, plant and equipment	(118,531)	(223,432)	(802,645)
Short term investments	(827,537)	1,173,899	(1,160,461)
Net cash provided by (used in) investing activities	(946,068)	950,467	(1,963,106)
Cash flows provided by (used in) financing			
activities			
Loans payable	-	-	54,500
Shares repurchased	-	-	(20,000)
Issuance of common shares	15,625	1,073,287	7,493,690
Proceeds from issuance of convertible notes	3,408,000	-	3,408,000
Net cash provided by financing activities	3,423,625	1,073,287	10,936,190
Effect of foreign exchange rate changes on cash	5,141	3,755	(57,292)

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Net increase in cash	5,764	15,627	156,027
Cash, beginning of period	150,263	46,021	-
Cash, end of period	\$ 156,027	\$ 61,648	\$ 156,027
Supplemental disclosure of cash flow information:			
Cash paid for:			
Interest	\$ -	\$ -	\$ 18,383
Income taxes	\$ -	\$ -	\$ -
Non-cash Investing and Financing Activities			
Issuance of shares in settlement of accounts payable	\$ 45,137	\$ 212,000	\$ 1,624,187
Issuance of shares in settlement of loans payable	\$ -	\$ 52,930	\$ 54,500
Issuance of shares upon conversion of convertible notes	351,470	-	351,470
Issuance of shares for services included in prepaid	\$ -	\$ -	\$ 252,000
Issuance of shares on recapitalization (Note 3)	\$ -	\$ -	\$ 796

SEE ACCOMPANYING NOTES

BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)

for the period from September 23, 1998 (Date of Inception) to February 28, 2006

(Unaudited - Amounts Stated in US Dollars)

	Common Stock <u>Shares</u>	Stock ^(a) <u>Par Value</u>	Additional <u>Paid-in Capital</u>	Cumulative <u>Translation Adjustment</u>	Deficit Accumulated During the Development <u>Stage</u>	<u>Total</u>
On inception of Bulldog BC, September 23, 1998	465,000	\$ 465	\$ (138)	\$ -	\$ -	\$ 327
Issuance of stock in Bulldog BC						
for cash - at \$0.34	20,000	20	6,683	-	-	6,703
- at \$0.67	125,000	125	83,663	-	-	83,788
- at \$1.34	22,500	23	30,140	-	-	30,163
Issuance of stock in Bulldog BC						
for services	8,000	8	16,079	-	-	16,087
Foreign exchange translation adjustment	-	-	-	(12)	-	(12)
Net loss	-	-	-	-	(114,968)	(114,968)
Balance, August 31, 1999 (Bulldog BC)	640,500	641	136,427	(12)	(114,968)	22,088
Issuance of stock in Bulldog BC						
for cash - at \$0.68	25,000	25	16,965	-	-	16,990
- at \$1.02	8,000	8	8,147	-	-	8,155
- at \$1.36	2,500	2	3,398	-	-	3,400
Issuance of stock in Bulldog BC						
for services	34,000	34	9,494	-	-	9,528
On inception of Bulldog Nevada						
- at \$0.001	7,035,000	7,035	-	-	-	7,035
Issuance of stock in Bulldog Nevada						
for cash - at \$1.00	613,727	614	613,113	-	-	613,727
Foreign exchange translation adjustment	-	-	-	289	-	289
Net loss	-	-	-	-	(531,252)	(531,252)
	8,358,727	8,359	787,544	277	(646,220)	149,960

Balance, August 31, 2000
(combined)

SEE ACCOMPANYING NOTES

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Continued

BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)

for the period from September 23, 1998 (Date of Inception) to February 28, 2006

(Unaudited - Amounts Stated in US Dollars)

	Common Stock ^(a)		Additional	Cumulative	Deficit	
	<u>Shares</u>	<u>Par Value</u>	<u>Paid-in</u>	<u>Translation</u>	<u>Accumulated</u>	
			<u>Capital</u>	<u>Adjustment</u>	<u>During the</u>	<u>Total</u>
					<u>Development</u>	
					<u>Stage</u>	
Balance, August 31, 2000						
(combined, balance forward)	8,358,727	8,359	787,544	277	(646,220)	149,960
Issuance of stock in Bulldog Nevada for	245,000	245	130	-	-	375
cash - at \$0.002						
- at \$0.24	95,833	96	22,904	-	-	23,000
- at \$0.50	80,000	80	39,920	-	-	40,000
- at \$1.00	155,623	156	155,467	-	-	155,623
Issuance of stock in Bulldog Nevada for services	304,830	305	230,125	-	-	230,430
Redeemed and cancelled for Nil consideration	(861,000)	(861)	861	-	-	-
Shares issued as commission for private placements	91,120	91	(91)	-	-	-
Foreign exchange translation Adjustment	-	-	-	26,357	-	26,357
Net loss	-	-	-	-	(424,417)	(424,417)
Balance, August 31, 2001 (combined)	8,470,133	8,471				