

Edgar Filing: Integrated Security Technologies, Inc. - Form 10QSB/A

Integrated Security Technologies, Inc.
Form 10QSB/A
July 29, 2005

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB/A

Quarterly Report Pursuant To Section 13 Or 15(d) Of The Securities
Exchange Act Of 1934

For the quarterly period ended FEBRUARY 28, 2005

Transition Report Under Section 13 Or 15(D) Of The Securities
Exchange Act Of 1934

Commission File Number 000-50298

INTEGRATED SECURITIES TECHNOLOGIES, INC.

(Name of small business issuer in its charter)

NEVADA

(State or other jurisdiction of
incorporation or organization)

98-0376008

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

SUITE 1500, 885 WEST GEORGIA STREET
VANCOUVER, B.C., CANADA

(Address of principal executive offices)

V6C 3E8

(Zip Code)

(604) 728-3004

Issuer's telephone number

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 17,331,141 shares of Common Stock with a par value of \$0.001 per share outstanding as of June 7, 2005

Transitional Small Business Disclosure Format (check one): Yes NO

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

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INTEGRATED SECURITIES TECHNOLOGIES, INC.
 (AN EXPLORATION STAGE COMPANY)
 BALANCE SHEET
 FEBRUARY 28, 2005
 (UNAUDITED)

ASSETS

Total assets: \$ -
 =====

LIABILITIES AND STOCKHOLDERS' EQUITY

Total liabilities \$ -

Commitments -

Stockholders' equity:

Common stock, par value \$.001, 200,000,000 shares
 authorized; 17,331,141 shares issued and outstanding 17,331
 Paid in capital 330,360
 Other comprehensive loss (16)
 Deficit accumulated during the exploration stage (347,675)

Total stockholders' equity -

Total liabilities and stockholders' equity \$ -
 =====

INTEGRATED SECURITIES TECHNOLOGIES, INC.
 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF OPERATIONS
 THREE AND SIX MONTHS ENDED FEBRUARY 28, 2005 AND 2004, AND
 PERIOD FROM APRIL 12, 2002 (INCEPTION) THROUGH FEBRUARY 28, 2005
 (UNAUDITED)

	Three Months Ended		Six Months Ended		Inception through 2005
	2005	2004	2005	2004	
OPERATING EXPENSES	\$ -	\$ 5,339	\$ -	\$ 7,036	\$ 347,765
NET LOSS	\$ -	\$ (5,339)	\$ -	\$ (7,036)	\$ (347,765)

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	2005	2004	2005	2004
BASIC AND DILUTED NET LOSS PER COMMON SHARE	\$ -	\$ (0.00)	\$ -	\$ (0.00)
WEIGHTED AVERAGE SHARES OUTSTANDING	17,331,141	34,828,200	17,311,141	34,828,200

INTEGRATED SECURITIES TECHNOLOGIES, INC.
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF CASH FLOW
SIX MONTHS ENDED FEBRUARY 28, 2005 AND 2004, AND
PERIOD FROM APRIL 12, 2002 (INCEPTION) THROUGH FEBRUARY 28, 2005
(UNAUDITED)

	2005	2004	Inception through 2005
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ -	\$ (7,036)	\$ (347,675)
Adjustments to reconcile net loss to net cash used in operating activities:			
Changes in:			
Prepaid expense	-	(67)	10,929
Accounts payable	-	1,812	8,062
Net cash used in operating activities	-	(5,291)	(328,684)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Shareholder advances	-	4,517	
Issuance of common stock for cash	-	-	328,700
Net cash provided by financing activities	-	4,517	328,700
EFFECT OF EXCHANGE RATE ON CASH	-		(16)
NET CHANGE IN CASH	-	(774)	-
CASH AND CASH EQUIVALENTS, beginning of period	-	1,014	-
CASH AND CASH EQUIVALENTS, end of period	\$ -	\$ 240	\$ -

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INTEGRATED SECURITIES TECHNOLOGIES, INC.
(AN EXPLORATION STAGE COMPANY)
FEBRUARY 28, 2005
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Integrated Securities Technologies, Inc. ("Integrated") 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 ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in Integrated's Annual Report filed with the SEC on Form 10-KSB. 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 the 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 contained in the audited financial statements for fiscal 2004 as reported in the 10-KSB have been omitted.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

FORWARD-LOOKING STATEMENTS

The information in this Quarterly Report on Form 10-QSB/A contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, including statements regarding Integrated's capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding the market price of natural resources, availability of funds, government regulations, common share prices, operating costs, capital costs and other factors. Forward-looking statements are made, without limitation, in relation to operating plans, property exploration and development, availability of funds and operating costs. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined below, and, from time to time, in other reports Integrated files with the SEC, including Integrated's Annual Report on Form 10-KSB for the year ended August 31, 2004. These factors may cause Integrated's actual results to differ materially from any forward-looking statement. Integrated disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. The information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking

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statements.

OVERVIEW

We were incorporated on April 12, 2002, under the laws of the State of Nevada.

We are an exploration stage company engaged in the acquisition and exploration of mineral properties. We own four mineral claims that we refer to as the Saucy mineral claims and six mineral claims that we refer to as the Salsa mineral claims. The Saucy and Salsa mineral claims are located adjacent to each other in the Province of British Columbia, Canada. Both the Saucy and the Salsa mineral claims are held in the name of our wholly owned subsidiary, Iguana Explorations Inc. Further exploration of these mineral claims is required before a final determination as to their viability can be made. No commercially viable mineral deposit may exist on our mineral claims. Our plan of operations is to carry out exploration work on these claims in order to ascertain whether they possess deposits of gold, copper or silver. We can provide no assurance that our mineral claims contain a mineral deposit until appropriate exploratory work is done and an evaluation based on that work concludes further work programs are justified. At this time, we have no known reserves on our mineral claims.

GEOLOGY OF THE MINERAL CLAIMS

We engaged Mr. W.G. Timmins to prepare a geological evaluation report on the Saucy mineral claims. Mr. Timmins is a consulting geologist and registered professional engineer in the Geological Section of the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Timmins has practiced in his profession for 39 years and been a registered professional engineer since 1969.

Mr. Timmins recommended a two-stage exploration program for the Saucy mineral claims to determine whether there are mineral deposits of gold, silver or copper on those claims: Stage 1 consisting of reconnaissance geology and sampling at an estimated cost of \$5,000; and Stage 2 consisting of trenching, sampling, prospecting and mapping at an estimated cost of \$10,000.

We completed Stage 1 in 2002 and Mr. Timmins recommended proceeding to Stage 2, which was completed in November of 2003.

We received a report from Mr. Timmins dated December 10, 2003 reporting on completion of Stage 2 of the program. Mr. Timmins reported that the main mineral vein on the Saucy claims narrowed in width and had decreasing gold values. Mr. Timmins advised that it is normal for this type of quartz vein to exhibit pinching and swelling with variable gold values. Based on the work on the Saucy claims and on information contained in previously reported work on ground adjacent to the Saucy claims, Mr. Timmins reported that the vein structure on the Saucy claims may extend into a wider vein on the adjacent areas which reportedly carry significant gold values. Based on that conclusion, Mr. Timmins recommended that we acquire the Salsa claims. Mr. Timmins also recommended that we conduct a work program on the Salsa mineral claims consisting of blasting, sampling, prospecting, geological mapping and assays at an estimated cost of \$10,000.

PLAN OF OPERATIONS

Our business plan is to follow the recommendations of our consulting geologist and proceed with completion of the work program recommended for the Salsa mineral claims at an estimated cost of \$7,000.

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We anticipate that we will incur \$15,000 in operating expenses over the next twelve months. Operating expenses will include mineral claims renewal and professional legal and accounting expenses associated with being a reporting issuer under the Securities Exchange Act of 1934.

Our total expenditures over the next twelve months are anticipated to be approximately \$22,000. Our present cash reserves are not sufficient for us to carry out our plan of operations without additional financing. Our directors have made an oral commitment to loan us the necessary funds to complete our business plan, however they are under no obligation to do so. We do not have any other financing arrangements in place and there is no assurance that we will be able to secure the necessary financing.

In the next twelve months, we do not plan to make any purchases or sales of significant equipment, nor do we plan to make any significant changes in our number of employees.

RESULTS OF OPERATIONS FOR PERIOD ENDING FEBRUARY 28, 2005

We did not earn any revenues during the period ending February 28, 2005. We do not anticipate earning revenues until such time as we enter into commercial production of our mineral properties. We are presently in the exploration stage of our business and we can provide no assurance that we will discover commercially exploitable levels of mineral resources on our properties, or if such deposits are discovered, that we will enter into further substantial exploration programs.

We incurred no operating expenses for the three and six months ended February 28, 2005 compared to \$5,339 and \$7,036 for the three and six months ended February 29, 2004. The 2004 expenses are primarily professional fees. We anticipate our operating expenses will increase as we undertake our plan of operations. The increase will be attributable to our beginning of the geological exploration program on the Salsa mineral claims and the professional fees to be incurred in complying with the reporting requirements under the Securities Exchange Act of 1934.

LIQUIDITY AND CAPITAL RESOURCES

We have no cash or working capital as of February 28, 2005. We estimate the geological exploration program will cost approximately \$7,000. Our working capital is insufficient to pay for the costs of our exploration programs. Our directors have made an oral commitment to provide adequate funding to enable us to complete the exploration programs. However, our directors are under no legal obligation to do so.

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive exploration activities. For these reasons, there is substantial doubt that we will be able to continue as a going concern.

ITEM 3. CONTROLS AND PROCEDURES.

Integrated has adopted and implemented internal disclosure controls and procedures designed to provide reasonable assurance that all reportable information will be recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms. Under the supervision and with the participation of Integrated's management, including Integrated's Chief Executive Officer and Chief Financial Officer, Integrated has evaluated the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e) as of the end of the fiscal quarter covered by this report. Based on that evaluation, the Chief Executive

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Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. There were no changes in Integrated's internal controls or in other factors during or since the end of the fiscal quarter covered by this report that have had a material effect or are reasonably likely to have a material effect on internal controls subsequent to the end of the fiscal quarter covered by this report.

ITEM 6. REPORTS ON FORM 8-K.

We did not file any Current Reports on Form 8-K during our fiscal quarter ended February 28, 2005.

SIGNATURES

In accordance with the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Integrated Securities Technologies, Inc.

Date: June 7, 2005

By: /s/ Randy White

Randy White
President and Director